LAND REVENUE POLICY
In the United Provinces
Under British Rule

By

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PREFACE

In a predominantly agricultural country, like India, no one item of revenue, whether customs, income-tax, or income derived from railways, can compare in importance with land revenue. Agrarian problems and policies greatly influence the prosperity of the masses of the country. Hence, pride of place must be given, amongst all the activities of the Government, to those which relate to the problems of land revenue, that is, principles of assessment, tenancy legislation, land alienation, protection of the cultivating classes from the exploitation of the *zamindars,* construction of irrigation works, introduction of scientific methods of cultivation and the institution of the co-operative movement.

The following work is an attempt at presenting a synthetic view of the land revenue policy in the United Provinces under British rule. In order to understand the present problems of land revenue, and the effects of the policy pursued by the Government, it is necessary to study land revenue from a historical perspective. Broadly speaking, four landmarks are noticeable in the growth of land revenue system in this province under British rule. From the time of British conquest till the Mutiny (1857), the object of the East India Company was to realize a large amount of revenue necessary for

the wars in which the Company was engaged. The institution of the Permanent Settlement was partly the result of this necessity. In this disturbed period there was little opportunity for placing land revenue demands on sound theoretical basis. In some cases the equilibrium of rural economy was also disturbed during this period. The second period began soon after the Mutiny and came to a close with the Viceroyalty of Lord Curzon (1899-1905). During this period the work of survey and settlement was completed and the land revenue demand was placed on a basis which even today prevails with slight changes. Lord Curzon's famous Resolution (1902) on land revenue policy is a landmark in the development of land revenue principles in India. The third period (1900-1920) witnessed the development of the Co-operative Credit Movement and the introduction of agricultural research and experimentation carried on by the Imperial and Provincial Agricultural Departments. The general character of land revenue, however, did not change greatly. Soon after the close of the War (1914-18), a fresh period of activity began and a series of legislative measures were passed beginning with the Oudh Rent (Amendment) Act, 1921 and culminating in the United Provinces Tenancy Act, 1939. During this period (1920-40), the burden of land revenue and rentals has been decreased and the State has helped the peasantry against the exploitation of money-lending classes by passing Debt Relief Acts. In no other period of British rule the peasantry gained more than in this

period. The inauguration of Provincial Autonomy (1937) and the coming of the Congress Ministries in power gave a fresh impetus to reforms relating to land revenue and tenancy problems.

It is my pleasant duty to thank Dr. Vera Anstey of the London School of Economics for her criticism and advice. I am deeply obliged to the late Sir Edward Blunt, K.C.I.E., O.B.E., I.C.S., for going through the MSS. and suggesting valuable improvements. I also wish to express my deep indebtedness to Professor Radhakamal Mukerjee for valuable aid rendered in the preparation of this work. Thanks are also due to my friend Prof. R. Dwivedi of the English Department of the Benares Hindu University for reading through the MSS. My old pupils, Messrs R. L. Agrawal and R. D. Vidyarthi, now my colleagues, helped me in various ways in preparing the MSS. For the index I am obliged to Professor Agrawal.

Last but not least, I am deeply indebted to the Librarians of the London School of Economics and Political Science, the India Office, and of the High Commissioner for India and the Imperial Library, Calcutta, and the Legislative Council Library, United Provinces for their courteous assistance and the abundant facilities which they always placed at my disposal.

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CONTENTS

PAGE

CHAPTER 1. Introduction 1

Mediaeval outlook. Influence of rural economy. Area and population. The size of the holdings. The Monsoon and land policy. Plan of the work. Method of approach. Composition of the province of Agra and Oudh.

CHAPTER 2. Permanent Settlement 15

Introductory. Early history. Intention of Government to settle permanently. Severity of the revenue demand. The Commissioner's report 1808. The views of the Court of Directors on Permanent Settlement. Lord Hastings' views on the rights of *Ryots*. Holt Mackenzie's Minute. Supersession of customary rights. Colonel Baird Smith's report, 1861. Sir William Muir's Minute, 1861. Sir George Edmonstone recommended Permanent Settlement. Sir Charles Wood's Despatch. Sir John Lawrence supported Permanent Settlement. Sir Stafford Northcote's views. Curzon-Dutt controversy. Abolishing the Permanent Settlement.

CHAPTER 3. Permanent Settlement of Benares . . 40

Chronology. Early oppressive practices. Permanent Settlement of Benares. Position of the *Ryots*. Incidence of rent and revenue demand. Conclusion.

PAGE

CHAPTER 4. Early Settlements 51

Introductory. Condition before British occupation. The determination of the amount of revenue. Defects of early settlements. Regulation I of 1821. Mr. Holt Mackenzie's Minute. Regulation VII of 1822. Principles of settlement—Record of Rights. Principle of joint and several responsibility. Creation of *Lambardars*. Regulation IX of 1833. Conference of Revenue Officers, 1833. Conclusion.

CHAPTER 5. Principles of Assessment 74

Directions for Revenue Officers. Average rent-rates. Mr. Elliot's method. Defects in the First Regular Settlements. Land Revenue Legislation. The North-Western Provinces Land Revenue Act of 1901. Constitutional position. The United Provinces Land Revenue Amendment Act of 1929. The leading principles of assessment. Summary and Conclusions.

CHAPTER 6. Oudh Land Settlement (1856-68) 98

Introductory. Fifteen months of Dalhousie's settlement (1856-57). Lord Canning's policy (1858). Rights of under-proprietors. Canning-Wingfield controversy. Canning's views regarding under-proprietary rights. Lord Halifax supports Canning. The controversy ends, 1860. Limitation period. Oudh Compromise, 1866. Summary and conclusions.

CHAPTER 7. Tenancy Legislation in Agra Province 122

Introductory. Permanent tenure-holders and fixed-rate tenants. History of occupancy rights. Defects of the Act. Act XVIII of 1873; enhancement of rent. Ex-proprietary tenants. Compensation for improve-

PAGE

ment. Act XII of 1881. Act II of 1901. Defects of the Act. Act III of 1926. Conclusions.

CHAPTER 8. Tenancy Legislation in Oudh .. 149

Campbell on occupancy rights. Elgin's views on occupancy rights. Wingfield opposed Elgin's views. Sir John Lawrence on occupancy rights. Record of occupancy rights. Oudh Rent Act, 1868. Views of the Famine Commission of 1880 on the Oudh Rent Act, 1866. Condition of tenantry in Oudh, 1883. Increase of rents. Oudh Rent Act XXII, 1886. The practice of *nazrana*. Oudh Rent (Amendment) Act, 1921.

CHAPTER 9. Tenancy Legislation in United Provinces 167

Statutory tenants. Defects of statutory tenancy. Classes of tenants under the New Act, 1939. *Sir* provisions under the New Act, 1939. Determination and modification of rents. Miscellaneous provisions. Lessons from agrarian settlement in post-War Europe, 1914.

CHAPTER 10. Proprietary Tenures in Oudh .. 188

Introductory. Proprietary tenures. Origin of *talukdari*. Pattidari—perfect and imperfect. Under-proprietary tenures. Sub-settlement. Under-proprietary rights: *Dihadari; Nankar; Sir; Birt; Sanklap; Jagir* and *Mafi* and *Marwat*. Summary and conclusion.

CHAPTER 11. Rents, Revenue and Prices .. 210

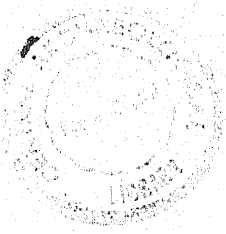
The political chaos. Genesis of the Kisan Sabhas. *Eka* Movement. No-rent campaign. (1931-32). 'Sectional' Price-levels. Corelation between rents, revenue and prices. Fall in agricultural prices. Measures adopted by the Government. Defects of

PAGE

the measures. Resettlement of the districts. Defects of the scheme. The political chaos and the revenue system. Inadequate remissions. Coercive processes. Hardships of the cultivating classes. The place of Kisan Sabhas. Necessity of the Kisan Sabhas. Constitution of the Kisan Sabhas.

CHAPTER 12. The State as Landlord 236

State policy in India. The Bundelkhand Land Alienation Act (II of 1900). Debt-legislation. Theoretical arguments for the relief of debt by legislation. Agriculturists' Relief Act, 1934. The Usurious Loans (United Provinces Amendment) Act, 1934. Temporary debt relief measures. Long-term measures. Conclusion. Irrigation. Co-operative Movement. Agriculture. Conclusion.



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CHAPTER I

INTRODUCTION

The well-being of the agricultural classes in India must form a matter of the most intimate concern to the Government. The rural classes have the greatest stake in the country because they contribute most to its revenue. Land revenue has been of outstanding importance because it provides a large proportion of the total revenue of the country. It cannot be denied that upon the incidence of the land revenue or rentals the prosperity of cultivators in a great measure depends. Moreover, the part which land policy has played in the general administration of the country and the controversies which have raged around the principles of assessment, make it a subject of the greatest importance.

It is impossible to discuss as a whole the land problems of India. The system of land tenure, principles of assessment, and types of Settlement differ from province to province. The two main sub-divisions of land system in India are *Zamindari* and *Ryotwari*. In the former the landlord pays the land revenue to the State whether he cultivates the land himself or by means of rent-paying tenants; in the latter the cultivator pays the revenue directly to the State. The

Zamindari tenure is the prevailing form of land tenure in the Central Provinces, the United Provinces, Bengal, Bihar, Orissa, and the Punjab. The Ryotwari tenure is to be found over the greater part of the Presidencies of Madras and Bombay. In the following pages the land system of the United Provinces of Agra and Oudh will be discussed; the conclusions reached, however, may apply only to a limited extent to other Zamindari areas.

Mediæval Outlook

At the outset it is desirable to point out certain outstanding facts which profoundly influence the problems of land policy in this country. Rural India is essentially mediæval in its outlook. A keen observer of Indian economic life has correctly remarked that India must not be judged by its great ports and industrial areas. These latter are the scenes of striking anachronisms, symptomatic of the direct impingement of the modern on the mediæval.[1] Feudalism prevails in different degrees in various parts of the country. The influence of landlords in Zamindari tracts is well known to all those who are familiar with the economy of rural life in India. The peasantry far from being generously treated by the zamindars was rack-rented, impoverished, and oppressed and this compelled the Government to intervene on their behalf by passing a series of legislative measures that commenced with the Bengal

[1] Anstey, Vera., *The Economic Development of India* (Longmans) 3rd edition, 1936, p. 1.

Tenancy Act of 1859 and have culminated in the recent Tenancy Acts (1939) passed in the various provinces. What matters most of all to the ryot is his relations with his landlord. Agrarian legislation has not afforded enough protection to him and his long-pursed opponents have often taken shelter behind the subtleties of law to defeat its provisions. Thus feudalism has made it exceptionally difficult for the Government to help him.

Another reminiscent of mediævalism is the absence of the economic ideal of material progress. Religion still holds the most predominant place in the everyday life of the people. The facile doctrine of an inexorable fate creates a fatalistic attitude and makes it difficult to stimulate economic effort and raise the standard of living. The prevalence of custom, tradition, and sometimes superstition narrows down individualism and subordinates personal initiative and competitive spirit. Hence it is not surprising that even today the outstanding characteristics of mediæval life "such as the self-sufficing agricultural unit, primitive methods of agricultural and industrial production, and the organization and control of industry and commerce by means of local gilds, still prevail in India."[2]

Influence of Rural Economy

Land policy in India is also greatly influenced by natural conditions. Agriculture, to a large extent, even though it is protected by canals, wells, and tanks,

[2] Anstey, op. cit., p. 4.

depends upon the monsoon rainfall. The relation of cause and effect between good rainfall, abundant crops, and agricultural prosperity and between bad monsoon, deficient produce, and a suffering peasantry is in no country in the world more pronounced than in India. To understand the problems of land policy, therefore, it is necessary to refer to some aspects of the rural conditions of the country. The source of much confusion and misunderstanding that is usually connected with the larger issues affecting land policy, and the connection between it and the poverty of the people, would be clarified by such study.

The three important problems of the rural economy of the province which directly or indirectly affect land policy are: (i) Pressure of population, (ii) Size and distribution of holdings, and (iii) Rainfall.

Area and Population

The total area of the United Provinces of Agra and Oudh together with the States of Rampur, Tehri-Garhwal, and Benares, is 1,12,191 square miles, of which 1,06,248 square miles are British territory and the remaining 5,943 square miles fall within the States. The British territory is divided into 48 districts, each in area roughly corresponding to the larger English counties.

It may be interesting to mention that the population of the province (56.34 millions) in 1941, exceeds that of England and Wales (40 millions), Italy (43

millions), or France (41 millions). The population of Oudh alone is one and a quarter times that of Canada, and the population of the Gorakhpur and Fyzabad divisions each exceeds that of Australia.

The excessive pressure of the population on land affects some of the most important problems of land policy. In the province where the average density in extensive rural areas exceeds that of almost any other part of the world, extreme poverty must prevail. The assertion that India is not over-populated cannot be supported, in face of a smaller produce per head in spite of the great increase in total production, during the present century. Under present conditions, there is good reason to suppose that in many areas the "optimum population has long since been surpassed."[3] The excessive pressure of the population must result in a miserably low standard of life of the masses. This must inevitably react on land policy of the Government and make its task more difficult. For example, one of the most important questions which has keenly been debated during recent years is: "What rent should be charged?" The Committee (1931) appointed by the United Provinces Congress Committee to enquire into the agrarian situation in the province remarked: "We think the only way of fixing rent is to find out the income and expenses on an average holding and fix a proportion of the surplus, if there be any, as

[3] See Anstey, Vera, op. cit., p. 40.

rent."[4] With the growth of population the pressure of population on land has considerably increased and the size of the holdings has become very small. Though there is not enough data available to enable one to find out the normal yield of an average holding, nevertheless, it is generally accepted that the great majority of the cultivators' holdings are only slightly above the economic limit and the surplus available to the "average" cultivator, after defraying the cost of production, is meagre, which in years of bad rainfall or agricultural depression disappears. Now, if rents are fixed on the basis of surplus, as proposed by the Committee, the greater portion of land revenue will disappear. I feel that some of the most difficult problems of land policy during British rule have arisen on account of the heavy pressure of population on land. The problems of rack-renting, small and fragmented holdings, sub-letting, exemption of uneconomic holdings from payment of rent or revenue and abuse of the tenancy law are all ultimately connected with the pressure of the population on land.

The Size of the Holdings

The growth of population has affected the size and the distribution of holdings in India. The great majority of holdings are below the economic size. Intensive village surveys reveal that in most parts of India the holdings have considerably decreased in area during

[4] *Agrarian Situation in the United Provinces* (Law Journal Press) Allahabad, 1931, p. 28.

the past fifty years. In an intensive village survey which I conducted in a Cawnpore village, I found the distribution of land in the village in the following manner:[5]

Tenants cultivating 1 acre were	100
Tenants cultivating 2 acres were . .	50
Tenants cultivating between 3 and 4 acres were	42
Tenants cultivating between 5 and 6 acres were	19
Tenants cultivating about 10 acres were . .	14
Tenants cultivating about 15 acres were . .	2
Tenants cultivating over 15 acres were . .	nil

The average size of the holding for the village was 2·47 acres. Holdings vary greatly in size in different parts of the province, the average being as high as 12 acres in precarious regions of Bundelkhand, and as low as 3.5 acres in fertile areas of the eastern districts.[6]

Similar statistics are available for other provinces. In an enquiry conducted in some 24,000 Punjab villages for the Royal Commission on Agriculture it was found that 22·5 per cent of cultivators cultivated 1 acre or less; 33·3 per cent cultivated between 5 and 10 acres; and 23·7 per cent cultivated 10 acres or more.

The prevalence of small holdings raises important questions in the field of land policy in India. How

[5] Misra, B. R. *An Economic Survey of a Cawnpore Village* (Government Press, Allahabad) 1931, p. 15.

[6] *Report of the United Provinces Banking Enquiry Committee* (Government Press, Allahabad) 1929-30, Vol. I, p. 22.

many of the holdings are "economic holdings?" How far can the land policy pursued by the Government be held responsible for the present poverty of cultivators? Can the uneconomic holdings be exempted from land revenue or rentals? Will a low assessment and low rentals solve the problem of the poverty of the peasantry? What are the main obstacles in the way of adjusting land revenue or rents to the size of the holdings? What can be done to improve the situation? Answer to these and to many closely allied questions will be sought in the later chapters of the work.

One question may be answered here. Can an "economic holding" be defined? By an "economic holding" is usually meant an area of land which will produce enough for the support of the cultivator and his family in reasonable comfort. It must have some facilities for irrigation.[7] But it must be made plain that there are great difficulties in attempting to define as a whole the size of economic holdings for a vast and varied area such as India. Mr. Allan, lately Director of Agriculture, United Provinces, rightly observes that the question cannot be "answered according to any general principle or definite formula; it is always a question of fact the answer to which must vary according to the circumstances of each case."[8] It will vary with the economic conditions of the area: a holding

[7] For definitions of an "Economic Holding" see Keatinge, G. F. *Rural Economy in the Bombay Deccan*, pp. 52-53. Mann, H., *Land and Labour in a Deccan Village*. Vol. II, p. 43.

[8] Blunt, Sir Edward (edited by) *Social Service in India*, p. 131 (H. M. S. O. Publication, London) 1939.

which is economic in Bengal will be certainly uneconomic in Rajputana. It will vary with the skill of the cultivator; a holding which will be economic for a Jat or a Kurmi will be uneconomic for a Brahman or a Rajput. Again, the size of the holding will differ with the standard of comfort to which the cultivator is accustomed. Hence "it is scarcely an exaggeration that there are as many "economic holdings" as there are cultivators—or at least, as there are classes of cultivators.[9] Nevertheless, soil, rainfall, irrigation, cropping, out-turn, prices, rent, the skill of the cultivator, and the size of the family, are some of the factors on the basis of which an economic holding may be calculated. This would be a laborious task involving a number of assumptions and calculations.

No doubt it is difficult to define precisely an economic holding. Nevertheless, it is generally admitted that the majority of the cultivators possess small or uneconomic holdings. Keatinge is of the opinion that "in the Deccan, an ideal economic holding would consist of (say) forty or fifty acres of fair land in one block with at least one good irrigation well."[10] Professor Stanley Jevons considered a size of thirty acres for a model holding with reference to conditions in the United Provinces. As we have seen, the majority of the holdings are far below the size of the ideal economic holding. Here difficulties arise. The burden of ren-

[9] Blunt, op. cit., p. 132.

[10] Keatinge, G. F., *Rural Economy in the Bombay Deccan*, pp. 52-53.

tals is excessively heavy on small-sized holdings. To lighten it the creation of economic holdings has often been suggested. Such a solution would entail the removal from land of a large proportion of the population. This is practically impossible under the present economic conditions. Therefore, to improve the condition of the ryots in India it is necessary to attack the problem of his poverty along many lines.

The Monsoon and Land Policy

Perhaps the most important factor which affects land policy and its administration is the monsoon. A failure of the rainfall affects unfavourably, and in some cases calamitously, the entire agricultural community. The suspension of the rains means a suspension of labour; the suspension of labour means a drying up of the means of subsistence; and the latter is necessarily followed by distress and destitution. There is no industry in the world the sudden interruption or the temporary destruction of which is not attended with poverty and suffering; and there is no country in the world where the meteorological and economic conditions are at all similar to those prevailing in India, that could by any land revenue system that might possibly be devised escape the same results.[11]

The economic fallacy of the alleged connection between the recurrence and intensity of famine in India and land policy was pointed out by Lord Curzon in the

[11] See the *Government of India Resolution on Land Revenue Policy* (1902) (Government Press) Calcutta.

Government of India Resolution on Land Revenue Policy in 1902. It may be submitted here that no alteration in the system of scale of assessment can permanently save the agricultural population of India from the effects of climatic disaster.

Apart from the loss of revenue, a failure of rainfall sets in forces which need special care. Cholera, plague, and other diseases quickly follow and result in heavy mortality due to the lower vitality of the masses. The monsoon months are thus a subject of deep concern to the masses in general and to the cultivators and the Government in particular.

Thus it is clear that no reduction of the land revenue demand, not even its total abolition, can enable the Indian agricultural community to hold up its head against a calamity so disastrous in its consequences. The object of the Government should be to minimise the pressure of the failure of rainfall by the construction of irrigation works and improving the economic status of the masses.

Plan of the work

In the first place an account will be given of the early revenue history of the Agra province. Secondly, attention will be drawn to the landmarks in the growth of the modern principles of assessment as developed in the latter part of the nineteenth century and the twenties of the present century. Thirdly, the land settlement in Oudh will be described. Fourthly, an historical account of tenancy legislation in the Pro-

vinces of Agra and Oudh till 1939 will be given. This will be followed by an examination of the problems of tenancy reform, rents, revenue, and prices. Finally, an attempt will be made to examine the land policy pursued by the Government. Incidentally, the fundamental obstacles in the way of improving the condition of the peasantry will be pointed out and the possible remedies suggested.

Method of Approach

A word may be said regarding the method of approach. The subject is treated from the historical standpoint from a belief that it is only from the study of historical developments that we can secure a right perspective. The problems of land policy change at short intervals; and their study, without a historical background, may be only superficial. On the other hand, the historical method of approach should result in seeing the problem as a growth rather than as a haphazard incident. It is with this end in view that I have discussed in detail the history of the principles of assessment and tenancy legislation in these provinces from the time of the British conquest. Much of the confusion in the ideas relating to the rights of occupancy, *sir* lands, fixation of rentals and other customary rights in waste lands claimed by the cultivators and refused by the landlords is clarified by such a study.

Composition of the Province

For the purpose of historical study it is desirable to point out here the composition and growth of the pro-

vince of Agra and Oudh under British rule. The present United Provinces of Agra and Oudh (formerly known as North-Western Provinces) are composed of six groups of territory separately acquired at different periods. They are:—

1. The 'Benares Province' which was acquired, in 1775 by a treaty, from the Nawab Wazir of Oudh. It is now represented by the present district of Benares, the northern part of Mirzapur, Jaunpur, Ghazipur and Ballia. It is under Permanent Settlement.

2. The 'Ceded Districts' consist of Azamgarh, Gorakhpur, Basti, Allahabad, Fatehpur, Cawnpore, Etawah, Mainpuri, Etah, Shahjahanpur, Badaun, Bareilly, Pilibhit, Moradabad, Bijnor, and the Tarai parganas. These districts were ceded by the Nawab of Oudh in 1801 and the whole area was for a long time known as the 'Ceded Districts'.

3. The 'Conquered Districts' acquired by the victories of Lord Lake (1803) are represented by the districts of Agra, Muttra, Aligarh, Bulandshahr, Meerut, Muzaffarnagar, and Saharanpur. This entire area was called 'Conquered Districts'. The Ceded and Conquered Districts, roughly speaking, make up the present province of Agra.

4. The district of Dehra Dun was ceded in 1815 after the Nepal War.

5. The Bundelkhand districts of Banda, and Hamirpur were acquired between 1803 and 1817. The districts of Jalaun, Jhansi, and Lalitpur were acquired by lapse and forfeiture between 1840 and later years.

6. The Province of Oudh was acquired in 1855.

The United Provinces of Agra and Oudh, with the exception of the areas represented by the old Benares Province, is under temporary settlement which is revised every forty years. The land tenure in the province of Agra is called *Zamindari* and in Oudh *Talukdari*, which is only a different form of *Zamindari*.

CHAPTER II

PERMANENT SETTLEMENT

Introductory

It may hardly be a matter of interest now to study in detail the history of Permanent Settlement in the Agra Province. But a close study of the Bengal Regulations and the early revenue policy leads us to some important conclusions. The primary object of the East India Company in reorganising the revenue administration was to safeguard the punctual receipt of the land revenue. For this purpose the expansion of cultivation was indispensable, and in the opinion of the Government, this object could only be achieved by giving to all people interested in the land, down to the actual cultivator, a sense of security based on a well-founded belief that it would be they, and not their superiors, whether the State or the landlord, who would reap the benefit of their industry and enterprise.[1] Meanwhile, new ideas made their way and it began to be realized that a proper method of assessing revenue was not yet developed. Indeed, after a long series of experimental stages it was felt that with the growth of population and

[1] *Report of the Land Revenue Commission Bengal*, Vol. I (Government Press) Calcutta, 1940, p. 19.

progress of cash-rents the revenue demand was bound to increase considerably. Thus the hesitating policy of the Court of Directors about the introduction of Permanent Settlement unmistakably points to the fact that with the consolidation of British power in India the old necessity for Permanent Settlement had disappeared. Moreover, the recognition of the *Bhaichara* type of tenure in which the co-sharers or the villagers were jointly liable to the Government for their revenue made it necessary to change the type of Settlement and demanded a systematic survey and a minute inquiry for safeguarding the rights of peasantry. How both these ideas profoundly changed the language of Minutes and Regulations during this period (1803-1861) and resulted in a new departure in matters regarding revenue administration will be described in this chapter.

Early History (1803)

After the cession of the Ceded Districts by the Nawab Wazir, the affairs of the districts were placed under the control and supervision of a Lieutenant-Governor and a Board of Commissioners, to whom were entrusted the settlement of the revenue and the formation of a temporary scheme of administration till sufficient information was available. Under this temporary provision the collection of the revenue was committed to the charge of civil servants of the Company, acting under the orders of the Lieutenant-Governor, stationed in the various districts in which the territory was divided. The duties of the collectors are mentioned in

Regulation XXV of 1803.[2] They consisted in ascertaining the resources of the country, settling a system of law and revenue in all its details, collecting the revenue and functioning as magistrate and judge. The Board of Revenue was to supervise the conduct of the collectors in the work of Settlement and collection of the revenue. The affairs of the districts continued under this temporary arrangement till the beginning of 1803, when the Settlement of revenue was completed for a period of three years.

For the actual government of the Ceded and Conquered Districts the Code of Regulations in force in the province of Benares was introduced in 1803 and 1805 with certain modifications. The most important difference was in connection with the Permanent Settlement. By the Proclamation issued for the Ceded Districts on July 14, 1805,[3] and for the Conquered Districts on July 11, 1805,[4] provisions were made similar to those in force in Benares for the consolidation of cesses with rent and for delivery of leases, the Government expressly reserving to itself the right of legislating for the protection of the ryots.[5]

[2] Regulation XXV of 1803, Ss. 2 to 7. For Regulations I have used *Bengal Regulations* prepared by Richard Clarke, I.C.S., 3 Vols. (J. & H. Cox, London, 1854).

[3] Incorporated in Regulation XXV of 1803, *Bengal Regulations*, Vol. I.

[4] Incorporated in Regulation IX of 1805, *Bengal Regulations*, Vol. I.

[5] Regulation XXV of 1803, S. 29; Regulation IX of 1805, Ss. 13 and 14.

Intention of Government to settle permanently

In regard to Settlement the following plan for the Ceded Districts was announced:—

1. A triennial Settlement from 1802-03 to 1804-05.

2. A triennial Settlement with the same persons from 1805-06 to 1807-08.

3. A quadrennial Settlement with the same persons from 1808-09 to 1811-12.

At the expiration of the above period of ten years a permanent settlement was to be concluded with the same persons (if willing to engage, and if no others with a better claim came forward), for such lands as might be in a sufficient state of cultivation to warrant the measure, on such terms as government should deem fair and equitable.

A similar course was prescribed for the Conquered Districts, with necessary variations only as to the years comprised in several Settlements, as noted below:—

1. A triennial Settlement from 1805-06 to 1807-08.

2. A second triennial Settlement from 1811-12 to 1814-15.

3. A quadrennial Settlement from 1811-12 to 1814-155.

In Bundelkhand the first Settlement was confined to the year 1805-06, after which three triennial Settlements were to follow in the nine years from 1806-07 to 1814-15. At the expiration of the Settlement of 1814-15 a permanent settlement was to follow on conditions

similar to those prescribed for the Ceded Districts.

In these terms the supreme Government pledged itself to the landholders to introduce Permanent Settlement on the lines of Bengal. The sanction of the Court of Directors was, however, omitted in the Regulation. The Government, accordingly, in Regulation X of 1807, supplied this omission by informing the landholders of the Ceded and Conquered Districts that the promise of fixing in perpetuity the assessed *jama* of the Settlement for the term of four years shall depend upon the sanction of the Court of Directors. (Regulation X of 1807, s. v).

Severity of the Revenue Demand

The collection of the revenue for the year in which the districts were ceded proceeded on the basis of existing engagements with the landholders and *aumils*. On the expiry of the year the land revenue was increased 'on *russud* or annual augmentation founded on the expectation of increased cultivation.' As to how much more land was brought under cultivation no records are available. But the increase in revenue in the third year of the Settlement over the revenue realized at the time of the cession was, Rs. 32,99,589, or more than 19 per cent. It is difficult to say whether the increase was justified and not too heavy, even if more lands were brought under cultivation. One thing is apparent, that an increase of 19 per cent in three years just at the beginning of the occupation, when collection of revenue was mainly through aumils and when there was no im-

provement in agriculture, smacks of harshness and severity.

Appointment of a Special Commission—The Genesis of the Modern Board of Revenue.

When the second triennial Settlement approached its termination and arrangements had to be made for preparing a Settlement for a term of four years, which might, in consequence of promises,[6] and with the approval of the Court of Directors,[7] become permanent, the Government deemed this measure of such a paramount importance, as requiring the superintendence of a Special Commission. Hence a Special Commission was appointed. The members of this Commission were Messrs. R. W. Cox and St. George Tucker. In the Commission were vested the control of the revenue of the Ceded and Conquered Districts with the exception of the territory assigned to Shah Alam at Delhi and the province of Cuttack. The Commissioners were vested with duties, powers and authorities which were exercised by the Board of Revenue. In the like manner the duties of the secretary and accountant of the Board of Revenue were to be performed by the secretary and accountant of the Board of Commissioners.[8]

The Commissioner's Report (1808)

Having entered on the execution of their work, it appears, the Commissioners began to doubt the expe-

[6] See Proclamations of 1802 and 1805. See Regulation XXV of 1803 and Regulation IX of 1805. (Vol. 1, *Bengal Regulations*).
[7] Regulation X of 1807. (*Bengal Regulations*, Vol. 2).
[8] Regulation X of 1807, S. 2 (*Bengal Regulations*, Vol. 2).

diency of concluding a permanent settlement in the newly acquired territory. It was deemed advisable to call for the opinion of the collectors on the spot, who, it was expected, would be in a better position to express their views on local conditions. Hence the members, Messrs. R. W. Cox and St. George Tucker, issued a circular from Sheorajpur, a town in the Cawnpore district, to all collectors asking for information regarding their districts and their opinion regarding perpetuity of tenure. The letter runs as follows:—

> It is almost unnecessary to observe that principles which scarcely admit of a question, and which recent experience in the Lower Provinces (i.e., Bengal) may now be considered to have established in the most satisfactory manner, point to the expediency of limiting the demand of Government upon land; and the Governor-General-in-Council, in enacting Regulation X of 1807, has evidently in view to extend to the Ceded and Conquered territory the benefits which have already been realized in Bengal from the practical operation of those principles. The Permanent Settlement concluded in the Bengal Province has notoriously been attended with the happiest success, and the flourishing state of these provinces must, we think, be ascribed in an eminent degree to that wise and salutary measure.....We consider it to be a point established that it is desirable to extend to the Ceded and Conquered territory the benefits of a permanent settlement wherever circumstances may admit of it, and the chief object of our present reference to you is to ascertain how far the present state of your district encourages an opinion that the ensuing Settlement can be declared perma-

> nent, consistently with a proper regard to the rights of the landholders and tenantry, and to the interests and just expectations of Government.[9]

The local officers, in reply to the Commissioners, deprecated a permanent settlement as the country at that time was impoverished and depopulated. Almost all the early collectors deplore the depopulation of their districts and refer to extensive tracts of desolate waste lands. There is abundant evidence that this was the case. In Cawnpore, Mr. Welland, who was the first revenue officer appointed to the district, wrote: "The subjects in this part of the country are in the most abject poverty. Let the face of the country be examined and there will hardly be a manufacture found, or an individual in such circumstances as to afford the payment of a tax. The whole is one desolate waste, in which tyranny and oppression have hitherto universally prevailed."[10] The Commissioners in their final report, dated April 13, 1808, decided that a permanent settlement would be unwise 'when the population was so limited compared to the extent of its area.' The Government of India, it seems, was determined to carry through the proposal at all events and hence the Commissioners preferred to resign their office 'rather than be the instruments of a measure, which their judgment founded on local obser-

[9] *Selections from the Revenue Records of the North-Western Provinces, Allahabad*, 1873, p. 279. Letter dated September 7, 1807. Secretariat Library, Allahabad.

[10] *Final Report of the Settlement of the Cawnpore District*, 1878. F. N. Wright, B.A., Settlement Officer, Government Press, Allahabad.

vation, could not approve.' The India Government appointed a new Board of Commissioners consisting of Mr. (afterwards Sir) Colebrooke and Mr. Dean in place of those who had resigned and expected that their report when complete would probably establish the expediency and sound policy of the measure beyond question.[11]

The views of the Court of Directors on Permanent Settlement

The Court of Directors who had till then not received the detailed proceedings of the Commissioners, the copies originally sent being lost in one of the ships, in a letter to the Government, dated February 27, 1810, stated that it was not their intention to proceed unduly to the introduction of a permanent settlement in the Ceded and Conquered Districts "because it would be premature to fix in perpetuity the land rents of those countries at so early a stage of their connection with them, when their knowledge of the revenue actually derived from the zamindars and of their capability must be necessarily imperfect, and when the people are yet so little habituated to their Government."

The language of the Court of Directors after the receipt of the report of the Commissioners is more decided and they state in definite language their views against early measures for permanently settling both the

[11] This arrangement was brought to the notice of the Court of Directors in the Despatches of July 31, 1807, and September 15, 1808.

provinces. In their despatch they wrote that the proposed final Settlement of the revenue of these territories would be premature, supposing the arrangement otherwise to be completely unexceptionable; that it would be attended ultimately, with a long sacrifice of revenue; that they were by no means sufficiently acquainted, either with the resources of the country; or with the *rights and ancient custom of the different classes of landholders* to venture upon a step of so much importance, and in its nature irrevocable, and that whether the measure may be eligible at a future period and what modifications it may be prudent to apply to it, are questions, which will remain open for discussion.[12]

Lord Hastings' Views on the Rights of Ryots

The later history of the Permanent Settlement till the passing of the Regulation VII of 1822 may briefly be narrated. In 1811 the Settlements of Saharanpur, Cawnpore and Gorakhpur were submitted to the Court of Directors to be confirmed as Settlements in perpetuity. But a letter from the Court of Directors, dated November 27, 1814, disallowed it and conveyed specific instructions that leases should not be granted in the Ceded and Conquered Districts for a period exceeding five years. A proposal to make the Settlement of

[12] Italics are mine. The above quotation clearly points out that the Court of Directors were not prepared to mortgage the future growth of revenue for a temporary present gain. The change in the views reflects that the Bengal idea of a permanent settlement was gradually disappearing. This change in the views is not noticed by writers on land policy.

Farrukhabad permanent was also rejected in 1815 by the Court of Directors. The Board of Commissioners, however, insistently recommended that all villages, in which the collectors should be of opinion that the reclaimable land, not under cultivation, did not bear a greater proportion than one-fourth to the cultivated land, be declared permanently assessed.

The Marquis of Hastings did not approve of the policy of the Commissioners and wrote a strong minute denouncing permanent settlement on the lines of Bengal *which entirely ignored the rights of the peasantry.* "Never," he remarked, "was there any measure conceived in a purer spirit of generous humanity and disinterested justice than the plan for the Permanent Settlement in the Lower Provinces. It was worthy of the zeal of Lord Cornwallis. Yet this truly benevolent purpose, fashioned with great care and deliberation, has to our painful knowledge, subjected the whole of the people through these provinces to the most grievous oppression—an oppression guaranteed by a pledge that we are unable to relieve sufferers. After such an example let us feel our way before we again enter into any similar engagement." Lord Hastings was in favour of a permanent settlement provided proper safeguards were enacted for the protection of the peasantry.

Holt Mackenzie's Minute

The publication of a brilliant minute by Mr. Holt Mackenzie, Secretary, Board of Revenue, put a stop to the question, although Messrs. Colebrooke, Adams,

and Fendall wrote minutes in favour of an immediate Permanent Settlement. Mr. Mackenzie insisted that no Settlement should be declared in perpetuity which did not give proper recognition to the customary sub-proprietary rights of the cultivating classes. It was, therefore, thought necessary that detailed enquiries should be instituted to give proper recognition to old customary rights which might be obliterated if the Settlements were to be made in a hurry. Regulation VII of 1822 was the result of Mr. Holt Mackenzie's minute.[13]

Supersession of Customary Rights

It was fortunate that the Permanent Settlement was not extended to these districts and the errors in Bengal were not repeated. It is important to remember, however, that permanent settlement was not rejected but was merely postponed. The early English officers were in full sympathy with the proposal to fix the revenue demand in perpetuity, but they postponed the idea until the population was more fully developed. Under a settled Government, they thought, large areas of land would be brought under cultivation and a settlement, after prosperity had set in would greatly increase the revenue demand of the Government. The most important result of the postponement was that future Settlements were made not with farmers of revenue but with the actual landlords. The early English administrators were

[13] See *Selections from Revenue Records, N. W. P., Allahabad,* 1818-20. The *Selections* contains Mr. Mackenzie's minute and the minutes by Lord Hastings, Messrs. Colebrooke, Adams, and Fendall.

ignorant of the actual conditions prevalent in the country, and did much injustice to the actual landholders and peasant proprietors by entrusting the collection of revenue to contractors who offered to farm the revenue for them.[14] In many parts of the province large areas were held in possession by proprietors under the designation of *Mukaddams*. The Special Commission appointed in 1821 for looking into the revenue conditions in Cawnpore district mentions the injury caused by the exclusion of a great many proprietors who till then had been in possession under the designation of Mukaddams, on an erroneous idea adopted by the European authorities that a person bearing that title could not be the proprietor. The conclusion at which they arrived was that the Mukaddam held a subordinate position to that of the proprietor, for whom he managed the estate, from whom he received a certain allowance of land or money for the performance of those duties and by whom he was removable for misconduct, but for no other reason; also, that the office was hereditary, but not transferable.[15] The estates, rights and liabilities of these Mukaddams were entirely obliterated in the early Settlements. The Permanent Settlement in the provinces of Bengal, Bihar, Orissa and Benares also ignored sub-

[14] Messrs. Cox and Tucker writing about Allahabad remarked that *the first Settlement was in a great measure fictitious; and the district was let out in farm to three or four individuals.* Similar was the case with other districts. Report of Cox and Tucker, April 13, 1808. See the *Selections from Revenue Records, N. W. P.*, 1818-20, page 18, Allahabad.

[15] *Final Report of the Settlement of the Cawnpore District* by F. N. Wright, B.A., I.C.S., Settlement Officer, 1878.

proprietary rights of the peasantry, as by one sweeping enactment it left the zamindar to make his settlement with them as he might choose or require.

The suppression of all village rights whether of property or occupancy disturbed the balance of economic life in the villages and is to some extent responsible for the none too amiable relationship between the tenants and landlords that we find in our own times. In subsequent years whenever the Government attempted to restore even a part of the suppressed rights to the tenants the zamindars strongly opposed it. The whole history of tenancy legislation in the United Provinces consists of a series of compromise between the conflicting interests of the zamindars and tenants.

Colonel Baird Smith's Report, 1861

After the suppression of the Mutiny, the old question of permanent versus temporary Settlement was again raised, the former having a warm supporter in Colonel Baird Smith.[16] The famine of 1860 was the severest famine that had visited the people of these provinces since the famine of 1837. It affected an area of 25,000 square miles, and a population of 13 millions. The famine is said to have been severe only between Delhi and Agra. More land fell out of cultivation. Arrears of land revenue accumulated. Then in the rainy season of 1861 cholera and pestilence did much havoc. An inquiry into this famine was conducted by Colonel Baird Smith. The expression of

[16] This account applies equally to Oudh.

public opinion, whether in press or in the reports of its officers, was in favour of permanent settlement. It was no time to talk of larger revenue. This feeling was echoed in Calcutta and is embodied in the exhaustive reports submitted by Colonel Baird Smith who recommended a permanent settlement as a protection against the worst effects of future famines, and as a means of increasing national revenue and prosperity. He remarked: "The good which has been done by partial action on sound principles is both a justification and an encouragement to further advances; and entertaining the most earnest conviction that state interests and popular interests will be alike strengthened in an increasing ratio by the step, the first, and, I believe the most important remedial measure I have respectfully to submit for consideration, is the expediency of fixing for ever the public demand on the land".[17]

The press also supported the extension of the Permanent Settlement. Among non-officials the policy of limiting the State demand was highly popular.[18] Above all, the stamp of highest authority was given to this policy by the celebrated Resolution of 1861, which Lord Canning sent from his Council Chamber on the eve of his leaving India. He expressed opinions on two important subjects: the one was "the sale of waste lands in perpetuity, discharged from all prospective demands on account of land revenue;" and the

[17] See the *Memorandum on Revision of Land Revenue Settlements in the N. W. P.*, 1860-70 by A. Colvin, I.C.S., Calcutta, 1872.

[18] Ibid.

other was: "the permission to redeem the existing land revenue by the immediate payment of one sum equal in value to the revenue redeemed." All this was the result of the Mutiny. To restore confidence was the principal object. But this was soon forgotten as confidence and prosperity returned and doubt and distrust were set aside. With prosperity there came a larger demand for revenue and the system of Permanent Settlement was attacked both in the press and the Council.

Sir William Muir's Minute, 1861

Immediately after the publication of the Resolution the highest revenue authority in the province, the Board of Revenue, consisting of Messrs. Muir and Money, recorded their opinion in favour of a permanent settlement. Sir William Muir, then Senior Member of the Board of Revenue, and afterwards Lieutenant-Governor of the Province, summed up the benefits of a permanent settlement under six heads:—

(1) Saving of the expenditure of periodical Settlement.

(2) Deliverance of the people from the vexations of re-settlements.

(3) Freedom from depreciation of estates at the close of each temporary settlement.

(4) Prosperity arising from increased incentive to improvement and expenditure of capital.

(5) Greatly increased value of landed property.

(6) Content and satisfaction among the people.[19]

Similarly Mr. Money, the Junior Member of the Board of Revenue, remarked:—

> The policy of removing the bar to improvement, which is now presented by the uncertainty of Government demand, is obvious, and the arguments which have been adduced in favour of a permanent settlement appear to be unanswerable. I would recommend that the land revenue demand of each district should be declared permanent on the completion of the existing Settlement now in progress or impending.[20]

Sir George Edmonstone Recommended Permanent Settlement

Agreeing with these opinions, Sir George Edmonstone, the then Lieutenant-Governor of the North-Western Provinces, recommended the conclusion of a permanent settlement in a long and careful minute. The wealth of the agricultural classes, he observed, would be increased. The prosperity of the country and the strength of the community would be augmented. Land would command a much higher price. The prospective loss which the Government would incur by relinquishing its share of the profits, arising from extended cultivation and improved productiveness, would be partly, if not wholly, compensated by the indirect returns which

[19] Minute by Sir William Muir, Senior Member, Board of Revenue, December 15, 1861. See *Official Papers regarding the Permanent Settlement of the N. W. P.*, Allahabad, 1869, p. 29.

[20] Minute by Mr. R. Money, Junior Member of the *Sudder* Board of Revenue, December 21, 1861.

would be derived from the increased wealth and prosperity of the country at large.[21]

Sir John Lawrence Supported Permanent Settlement

Sir John Lawrence, who was then a Member of the Secretary of State's Council, was opposed to the policy of redemption, advocated by Lord Canning, but strongly supported the policy of a permanent settlement. He observed:—

> I recommend a permanent settlement because I am persuaded that, however, much the country has of late years improved, its resources will be still more rapidly developed by the limitation of the Government demand. Such a measure will still further encourage the investment of money in land, and will be a greater security to the land revenue itself, which, in years of great calamity, occurring every now and then, has suffered largely, though the loss has been more or less of temporary character. It is on the contentment of the agriculturists, who form the real physical power in the country, that the security of British rule, to a large extent depends. If they are prosperous, the military force may be small, but not otherwise.[22]

Sir Charles Wood's Despatch

These sentiments were cordially endorsed by Sir Charles Wood, the Secretary of State for India, in his memorable despatch of July 9, 1862. The Secretary of State negatived any general scheme for redemption

[21] Minute by the Lieutenant-Governor, N. W. P., (Naini Tal) May 27, 1862.

[22] Minute of Sir John Lawrence, July 5, 1862.

of the land revenue, but was willing to discuss the question of a permanent settlement. Paragraph 58 of the despatch ran as follows:—

> After the most careful review of all these considerations, Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue, not only to those immediately connected with land, but to community generally, are sufficiently great to justify them in incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity, in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is a measure dictated by sound policy, and calculated to accelerate the development of the resources of India, and to ensure, in the highest degree, the welfare and contentment of all classes of Her Majesty's subjects in that country.[23]

Sir John Lawrence, who had supported the policy of a permanent settlement as a Member of the Secretary of State's Council, became the Viceroy of India. In March 1864, he recorded a minute stating in general terms the manner in which he proposed to introduce a permanent settlement in these provinces.

On March 24, 1865 the Secretary of State for India, Sir Charles Wood, wrote his reply. He wrote that Her Majesty's Government were prepared to authorise an immediate Settlement in perpetuity, after revision, for all estates in which the actual cultivation amounted to

[23] Despatch of Sir Charles Wood, July 9, 1862. *Official Papers regarding Permanent Settlement, N. W. P., Allahabad*, 1869.

80 per cent of the cultivable area. In such cases the rule of limiting the Government demand to 50 per cent should not be adhered to. A Settlement in perpetuity might be made at 60 per cent of the present assets. Districts in which agriculture was in a backward condition, population scanty, and rents not fully developed were to be exempted from permanent settlement. Comparatively developed districts were to be permanently settled if proprietors accepted a demand assessed at 80 per cent.

Meanwhile, canal irrigation was being opened in these provinces. The value of land was increasing and rents were rising. On March 17, 1866, the Secretary of State for India, issued further instructions to the India Government with regard to the Permanent Settlement. He laid down:—

> A rule might be laid down that no Permanent Settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers, of the Settlement and Irrigation Department, the existing assets in a proportion exceeding 20 per cent.[24]

Sir Stafford Northcote's Views

This decision to introduce Permanent Settlement was reaffirmed in a despatch of Sir Stafford Northcote, the Secretary of State for India, dated March 23, 1869.

[24] Revenue Despatch No. 17, paragraph 8. *Official Papers regarding Permanent Settlement, N. W. P.*, Allahabad, 1869. India Office Library, London.

He laid down two rules to restrict permanent settlement in undeveloped tracts and districts. The rules were:—

> First. No estate shall be permanently settled in which the actual cultivation amounts to less than 80 per cent of the cultivable or *Malguzari* area; and
>
> Second. No Permanent Settlement shall be concluded for any estate to which canal irrigation is, in the opinion of the Governor-General in Council, likely to be extended within the next twenty years, and the existing assets of which would thereby be increased in proportion of 20 per cent.[25]

Having settled the conditions on which a permanent settlement was to be granted, officers were at once sent to review the districts which could be permanently settled. Sir William Muir was appointed the Lieutenant-Governor of the North-West Provinces in 1868. He took an early opportunity of visiting the Meerut Division, chiefly with the view of observing upon the spot the manner in which the revision was being conducted. His attention was immediately arrested by the peculiar circumstances of Muzaffarnagar, Meerut, and Bulandshahr, where the rents were fast rising. His views regarding permanent settlement changed. He pointed out that 'the sacrifice of revenue under a permanent settlement would be gratuitous and indefensible,' and the authorities postponed the conferment of a permanent settlement. As the years passed, peace and prosperity increased and the desire to make a permanent

[25] Revenue Despatch No. 15, March 23, 1867. See *Official Papers regarding Permanent Settlement*, N. W. P. 1869.

settlement weakened. A third condition was accordingly recommended in addition to the two laid down in 1867 by Sir Stafford Northcote. In a Minute, dated December 14, 1869 the third condition is laid down as follows:—

> I think, therefore, that a third condition for Permanent Settlement is thus shown to be quite necessary, namely, evidence that the standard of rent prevalent or the estimate of 'net produce' on which the assessments are made, is adequate; or (having due regard to soil, facilities for irrigation, and rates of dry and wet land) is not below the level of rent throughout the country at large.[26]

This third condition practically amounted to this, that the Permanent Settlement should be postponed as long as the land continued to improve in value.

Curzon-Dutt Controversy[27]

The final decision came in 1883. The Secretary of State for India in despatch No. 24, dated March 28, 1885 said: "I concur with your Excellency's Government that the policy laid down in 1862 should now be formally abandoned."

The controversy, however, was again revived in the time of Lord Curzon, when Mr. R. C. Dutt, formerly

[26] See *Official Papers regarding Permanent Settlements N. W. P.*, 1869, Allahabad. India Office Library, London.

[27] The Government's land policy was summed up in the *Government of India Resolution,* 1902. Cmd. 1089, 1902. It is said to be an "open secret" that the Resolution was actually written by Lord Curzon. The Resolution is a "landmark" in the growth of land policy in India.

Acting Commissioner of Burdwan, addressed to Lord Curzon a series of *Open Letters* (subsequently published in the form of a book), concerning the land systems of the different provinces. In his letter upon land system in Bengal, Mr. R. C. Dutt stated that in consequence of the Permanent Settlement in that province the cultivators were more prosperous, more resourceful, and better able to help themselves in years of bad harvest than cultivators in any other part of India; that agricultural enterprise had been fostered, cultivation extended and private capital accumulated, which was devoted to useful industries, and the public works and institutions. Mr. Dutt also stated that India would not have witnessed those dreadful and desolating famines of the last quarter of the nineteenth century if the Permanent Settlement was extended throughout India.

These plausible allegations, as rightly pointed out by Lord Curzon in the Resolution (1902) were partly incorrect, considerably overemphasised and certainly not borne out by history. The prosperity of Bengal, as the Resolution pointed out, is due to its "exceptional advantages in fertility, in its comparative immunity from the vicissitudes of climate to which other parts in the country are liable, in its excellent means of communication, in its enjoyment of a practical monopoly of the production of jute, and in the general trade and enterprise which radiate from its capital city,"[28] and not due to the Permanent Settlement. Permanent

[28] *Government of India Resolution*. 1902, p. 5.

Settlement did not improve the condition of the peasantry. It was precisely because this was not the case and because, so far from being generously treated by the zamindars, the Bengal cultivator was rack-rented, impoverished, and oppressed, that the Government of India felt compelled to intervene on his behalf, and by the series of legislative measures that commenced with the Bengal Tenancy Act of 1859 and culminated in the Act of 1885, to place him in the position of greater security than he enjoyed before.

Finally, the evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlords and tenants, and of the multiplication of intermediate tenure-holders, led Lord Curzon to remark that the Permanent Settlement which was not supported by the experience of any civilised country, and was not justified by the single great experiment that was made in India should not be upheld as public model. It is not, in fine, in the Permanent Settlement of Bengal that the ryot has found his salvation; it has been in the laws which have been passed by the Supreme Government to check its license and to moderate its abuses.

Abolition of the Permanent Settlement

It was well that the Permanent Settlement was not extended to this province. The time has come when the equity of the Permanent Settlement of Bengal is being challenged. In a Federal System of Finance Bengal can no more be allowed to be like a

pampered child in a joint family. There is no question of a breach of faith for after the lapse of a century and a quarter the original contract based on loyalty and necessity in troublous times has lost much of its meaning.[29]

The majority of the members of the Bengal Land Commission (1940) have recommended the abolition of the Permanent Settlement.[30] The Commission hold the view that in the interests of the Province as a whole, the present land tenure system cannot remain unaltered. In fact, if present conditions continue, it may not be too much to say that the system will break down of its own accord. It is unsuited to modern conditions, and has brought about a situation in the Province, in which the welfare of agriculture is neglected, and a great proportion of the wealth from the land is appropriated by middlemen, most of whom have no connection with agriculture and have treated the land simply as a commercial investment. The majority of the members, therefore, have recommended that the defects in the present system can only be remedied if the State comes into direct relation with actual cultivators.

Ministry of Education
Government of India
New Delhi.

[29] See my *Indian Provincial Finance* for Provincial inequalities caused by Permanent Settlement. (Oxford University Press) 1941, p. 153.

[30] See the *Report of the Bengal Land Revenue Commission*, 1940, V. 1. Chapters 2 and 3.

CHAPTER III

PERMANENT SETTLEMENT OF BENARES

Chronology

1765. Emperor Shah Alam grants the Diwani (Fiscal Administration) of Bengal, Bihar and Orissa to the East India Company.

1772. The Dual Government.

1765-1769. The Company collects revenue through Indian agents.

1769-1772. English Supervisors appointed.

1772. The Company takes up Fiscal Administration.

1772-1786. The Company's management of revenue by English officers.

1786-1795. Lord Cornwallis' Provisional System.

1795. Permanent Settlement of Benares.[1]

Early Oppressive Practices[2]

The administration of land revenue, ever since the acquisition of the Diwani (1765), had been the greatest difficulty of the Company and was regarded as the

[1] The old "Benares Province," which was permanently settled on May 27, 1795, is at present represented by the districts of 1. Benares, 2. Northern Part of Mirzapur, 3. Jaunpur, 4. Ghazipur, 5. Ballia.

[2] The Revenue administration of Bengal throws light on the land policy in the United Provinces, as these provinces were governed from Fort William (Calcutta).

chief source of its misgovernment. During the first four years (1765-69) of the Dual Government (1765-72) the actual administration remained in the hands of the Emperor's (Shah Alam) officers. During all these four years the "Black Collectors" ground down the peasantry, and the revenue-farmers divided their energies between concocting frauds upon the Government and devising illegal cesses to be wrung out of the artisans and cultivators."[3]

It was not until 1769 that the Company declared itself the Diwan of the province and appointed English supervisors for the collection of revenue. Unhappily during the first year of the supervisors' office the great famine of 1769-70, the effects of which were noticeable on the fiscal history of the province during the succeeding forty years, visited Bengal. Again, the internal administration had to be left in the hands of Indian revenue-farmers.

Warren Hastings took charge of the province on April 13, 1772. He abolished the intermediate machinery of revenue-farmers between the tax-payers and the supervisors and appointed English collectors (1772). This system also had hardly worked for two years when the old system of revenue farmers was again reverted to and the English collectors were recalled. The failure at direct realization of the land revenue on these two occasions shows that collection was easier under farming than under direct management.

[3] Hunter, W. W., *The Annals of Rural Bengal* (Smith Elder and Co., London), 1897, p. 255.

The results of farming were disastrous to the peasantry. The revenue farmers backed by the authority of the Government, cared for nothing but realizing as much revenue as they could from the ryots. The ryots were required to pay excessively high rents and often cruel practices were adopted to enforce payment.

The authorities had nothing to do with the details as long as the public demand was satisfied. The demands were pitched very high. "For a long time hopeless deficit had been the normal condition of things in Bengal, and no country gentleman was sure of keeping out of jail unless he were an idiot or a minor."[4]

Lord Cornwallis in a despatch to the Court of Directors ascribed the causes of agrarian oppression in Bengal to the want of laws defining the nature and extent of the coercion which landholders and farmers were entitled to exercise over the ryots and under-tenants to enforce the payment of arrears.[5]

The Company demand upon each estate, was liable to annual or frequent variation at the discretion of the Government. The amount was fixed by the officers of the Company, usually it was ten-elevenths of the total amount realized, after deducting the expenses of collection.

In short, the revenue administration of the Company during 1765-66 was a complete failure. Neither Clive nor Warren Hastings could bring to bear upon the

[4] Hunter, op. cit., p. 273.

[5] Ramsay Muir, *The Making of British India,* (Manchester University) 1915, p. 189.

rural masses the administrative skill of the later generation of English administrators. "The realization of the revenue formed the collector's paramount duty, and on his success in this respect, rather than on the prosperity of the people, his reputation as an officer depended. The Council still acted to a certain extent as if Bengal were an estate which yielded a large rental, but involved none of the responsibilities of Government, and so regarded its rural administrators rather as the land-stewards of a private property, than as the channels for receiving and re-distributing a public revenue."[6]

Permanent Settlement of Benares

For a long time, even after the cessation of the province of Benares, 1775-1781, the settlement and collection of land-revenue was left to the Raja of Benares, who exercised the functions of a landlord combined with a degree of regal authority, which if the British did not acknowledge him by right to possess, they always allowed him to exercise.[7]

On the accession, however, of Raja Mahip Narain, in 1781, the Resident at Benares was required to exercise some control over the realization of land revenue. In 1787, Mr. Jonathan Duncan,[8] the Resident, was

[6] Hunter, op. cit., p. 269.

[7] *Fifth Report of the Select Committee of the House of Commons on the Affairs of the East India Company,* July 28, 1812. The Report is given as an Appendix in Ascoli, F. D., *Revenue History of Bengal,* 1917, p. 189.

[8] Jonathan Duncan (1756-1811), one of the most capable officers of the Company. In 1795, he was appointed Governor of Bombay.

asked to arrange for the formation of a new settlement and collection of revenue without the intervention of the Raja.[9] The negotiations and preparatory measures for these purposes were conducted, under instructions from the Supreme Government, from the year 1787 to 1794, and ended in the conclusion of an agreement, dated October 27, 1794, whereby the Raja relinquished the administration of his zamindari into the hands of the British Government.[10]

In September 1788, the Resident at Benares, under the orders of the Governor-General, made the Settlement of revenue for the year 1788-89, under his own immediate control. The Resident completed the Settlement, by granting leases for the term of one year to certain revenue-farmers, and for five years to others, by which they bound themselves to pay a specific revenue to the Company's treasury. In September 1789, the Governor-General further directed the Resident to introduce in the province of Benares the principles of decennial Settlement and the revenue-farmers who had obtained leases for five years in September, 1788 were granted leases for the remaining period of five years; and in the districts where the leases were granted for one year only, and had consequently expired, fresh leases, fixing the revenue for the period of ten years, were granted to village zamindars and farmers of revenue. The Governor-General-in-

[9] Regulation II of 1795.
[10] Ascoli, op. cit., p. 189.

Council on February 11, 1791, approved of the said quadrennial and decennial Settlements and ordered that the four years *pattas* (leases) be confirmed for a further period of 6 years so as to make it a ten years' Settlement, and that assurance be given to the *patta-holders*, that as long as they continue to pay their revenue stipulated in the last year of the increase, as specified in their several pattas, they shall not be liable to any further demand during their lives.[11]

Later on, the Governor-General directed the Resident that the revenue stipulated to be paid on lands included in the quadrennial and decennial pattas, the conditions of which had been fulfilled, whether held by Zamindars, or revenue-farmers, be fixed in perpetuity, and that the persons who succeeded to such pattas, should not be liable to any additional payment beyond the highest annual *jama* (amount) specified in the pattas[12]. Thus was introduced the Permanent Settlement of Benares on May 27, 1795.

Position of the Ryots

Its introduction was notified by a Proclamation. It is important to note, however, that the third clause of this Proclamation required the *patta-holders* (*lease-holders*) *to preserve and maintain the rights of all the pattidars*, (sharers in estates), ryots, and other intermediate tenure-holders. Ignorance of this clause has led the zamindars to claim that further

[11] Regulation I of 1795.
[12] Regulation I of 1795, Clause II.

occupancy rights could not accrue in such areas.[13] It was hoped by the author of the Permanent Settlement that the landlords would learn by experience that their own interests and prosperity were bound up with the prosperity and well-being of the cultivating classes. Moreover, it must be remembered that the Government distinctly reserved its rights of interference in cases of exaction and oppression.[14] It was declared: "We expressly reserve the right which clearly belongs to us, as sovereigns, of interposing our authority in making, from time to time, all such Regulations as may be necessary to prevent the ryots being improperly disturbed in their possession, or loaded with unwarrantable exactions."[15]

The landholders were required to pay the stipulated annual revenue punctually from the month of October to June each year, failing which their property real and personal was put to auction.[16] They were required to grant receipts to the ryots for

[13] The Permanent Settlement of the Benares Province differs in two respects from that of Bengal: (*i*) In Bengal there was no survey and no record of rights; in the United Provinces the districts were cadastrally surveyed, and a complete record of rights framed. (*ii*) In Bengal the Settlement was always made with some one landlord or zamindar and never with Village Communities. In the Benares Province the Settlement was made with the "village-zamindar" i.e., the landlord of joint-villages, some of them were *Bhaichara* Communities.

The presence of Bhaichara Communities in the Benares Province is often overlooked by authorities on land policy.

[14] See also Regulation I of 1793. Article VII, Clause 6.

[15] See *N. W. P. Rent Act*, by H. F. House, I.C.S., 1893.

[16] Regulation II of 1795, Section XIV, Clause 2.

their payments, under the penalty of a fine of double the amount to be awarded to any ryot who should prove that he had been refused such receipt.[17] Further, with a view to provide against sundry abuses and irregularities in the system of realizing revenue, the landholders were required to grant leases according to *hukumnamas* (Regulations) of June 25, and July 1, 1798. The *hukumnamas* fixed rents "as the ryots might willingly agree to pay."[18]

Mr. Duncan's intention was to settle with the cultivators themselves, but in pursuance of the policy followed by Lord Cornwallis the Settlement was made with 'village zamindars' as they were called, i.e., the landlord of joint-villages (some of them were Bhaichara Communities as described by Mr. J. Duncan, 1796).

The Settlement thus concluded consisted of engagements with zamindars for about eight-twelfths of the area; of leases to farmers for about three-twelfths and for the remaining one-twelfth the revenue farmers collected the revenue directly from the ryots.

Incidence of Rent and Revenue Demand

It is not easy to gauge with any accuracy the incidence of the revenue demand at the time when it was assessed; but it must have been very severe. Large areas at that time were lying waste. As population was sparse, there was competition for cultivators and not for land. With the great increase in cultivation and

[17] Regulation II of 1795, Section XIV, Clause 5.
[18] Regulation I of 1795, Sections 3 and 4.

the rise in the value of land this difficulty has disappeared today. The Settlement Officer (1887) quotes an example of an estate with a revenue demand of Rs. 304 against a rent-roll of Rs. 46,285. It was estimated in 1887 that the annual loss to the Government on account of the permanently-settled portions in the United Provinces, was between 15 to 20 lakhs of rupees.[19] At the present time the loss would be much greater.

The present rental demand and the area held by permanent tenure-holders and fixed-rate tenants in various districts under the Permanent Settlement in the United Provinces is given in the following table:[20]

1936-37

Districts	Permanent-Tenure holders		Fixed-Rate tenants	
	Area (Acres)	Rent (Rs.)	Area (Acres)	Rent (Rs.)
Benares			1,18,606	4,77,279
Mirzapur			1,16,450	4,08,406
Jaunpur			2,93,964	14,80,598
Ghazipur	1	3	70,198	2,69,062
Ballia	2,668	6,000	1,13,240	4,25,989
Azamgarh			767	3,614
Total	2,669	6,603	7,13,225	28,26,208

[19] Regulation I of 1795, Ss. 3 and 4.

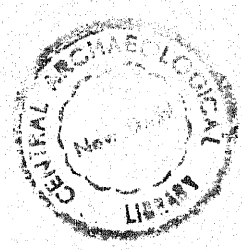
[20] *Revenue Administration Report, United Provinces,* (1936-37), p. 64A.

Conclusion.

From the foregoing brief account of the Permanent Settlement of Benares two broad conclusions may be drawn. First, the immediate object of the Company was the realization of a large permanent amount of revenue. The incidental mistakes in the land policy, in the early years of the Company's rule, resulting in the partial expropriation of the peasantry and the supercession of their rights, are partly the results of this desire. The subsequent evil results in the working of the Permanent Settlement could not have been foreseen by the officers of the Company. And even if they were anticipated, perhaps it was in the interest of the Company to introduce the Permanent Settlement for its own immediate gain. Permanent Settlement improved the financial position and consequently strengthened the administrative machinery of the Company. This led to the subsequent success of the Company. The extension of the Permanent Settlement to the United Provinces was advocated exactly for similar reasons.

Secondly, the Company, even in the earliest stages of its administration, always kept the welfare of the peasantry as its ultimate aim. The Bengal Regulations which introduced the Permanent Settlement definitely laid down the welfare of the peasantry as the ultimate aim of the Company. Unfortunately, a difference of opinion is still existing as to whether it is possible to improve the economic status of the cultivators under the terms of the Permanent Settlement. Some critics assert that the Government has committed itself and any change in

the status of the peasantry would involve a violation of faith. But from the study of the Bengal Regulations there seems to be no logical reason why there should not be a fundamental alteration in the revenue laws set forth by the Company so as to improve the legal and economic status of the peasantry.


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CHAPTER IV

EARLY SETTLEMENTS

Introductory

No problem connected with land policy is more important and difficult to understand than that of the principles of assessment. It has given rise to endless controversy. Indeed, the relations between the Government, the landlords, and cultivators are to a great extent determined by the principles of assessment. The village *jama* ultimately depends upon these principles. There might be one general principle for the whole *pargana* or there might be different principles (i.e., rates) for different kinds of soil; if the village is divided into different kinds of soil or *circle rates,* there would be a separate rate (or set of rates) for each kind of soil. Really, the *pargana* and village *jama* are always arrived at on the basis of the principles of assessment. Eventually, the incidence per acre of the revenue or rents depends upon them. In fine, it is upon the principles of assessment that the prosperity of cultivators depends.

These principles have been the subject of bitter criticism by economists and the public. Unfortunately those who criticize land policy often take a superficial view of the whole question and offer criticism which does not go to the root of the problem. No attempt, it

appears, has been made so far to analyse carefully the principles of assessment and to offer concrete suggestions that might help to remove difficulties of the cultivators. Once again the historical method of approach is highly essential, for without a proper knowledge of the various stages through which the principles of assessment have developed it is not possible either to follow the full implications of the present land policy or to give it a new orientation.

It is not possible here to trace in any details the development of the principles of assessment during the nineteenth century, but in order to put the recent changes in their proper perspective, it is necessary to refer to some of the 'landmarks' in the growth of land policy during that century. We have already given some idea of the principles of assessment followed in the Permanent settled areas of the province. But as in such areas the revenue demand was fixed in perpetuity no necessity was felt for a proper survey and record operations. In the temporarily settled areas the Settlement operations are based on a detailed survey and record operations. In this chapter the principles of assessment followed in the early years of the Company's rule till the First Regular Settlements were undertaken will be described. The chapter following will trace the principles of assessment from Thomason's *Directions for Revenue Officers* (1849) till modern times.

Condition before British Occupation

Prior to the cession the Ceded Districts underwent

constant change of Government. The Moghul Empire was then a mere shadow of a great name. It was completely disintegrated. Independent Nawabs had founded principalities in different parts. The Nawab of Farrukhabad was ruling the districts of Etah, Mainpuri, and northern half of Farrukhabad. Vast portions of territory were under the Nawab of Lucknow, and administered by his *nazims*. Security of life and property was absent. Mr. Welland, who was the first revenue officer appointed to the district of Cawnpore, wrote:—

> The subjects in this part of the country are in the most abject poverty. Let the face of the country be examined and there will hardly be a manufacture found, or an individual in such circumstances as to afford the payment of a tax. The whole is one desolate waste, in which tyranny and oppression have hitherto universally prevailed.[1]

The condition of the Conquered Districts, e.g., Agra and Muttra, was hardly better. The incessant troubles and the successive contests for supremacy between the Moghuls, Jats, and Mahrattas must have had evil effects. Ahmad Shah Durani sacked Muttra in 1757 carrying away with him great booty. In 1776 the Jats were finally driven from the districts by Najaf Khan. On his death in 1782 the Mahrattas under Sindhia gained possession over them. The British obtained the territory under the treaty of Arjengaun of December 30, 1803.

[1] *Final Report of the Settlement of the Cawnpore District by* F. N. Wright, 1878, p. 31.

Such quick changes in the sovereignty followed by tyranny of marauding expeditions could never have been conducive to stable farming.

Early English Methods of Assessment

The early years of British rule were far from a blessing. The prompt realization of a large revenue necessary for conducting wars in which the Company was engaged in that period was the chief concern of the mercantile rulers. There was no question of principles of assessment in such a period. The early Settlements were made in a rough and ready manner varying from three to five years. The collector sat in his office at the *sudder* station, attended by his right hand men the *Kanoongoes* by whom he was almost entirely guided. As each estate came up in succession, the brief record of former Settlements was read, and the fiscal register for the years immediately preceding the cession or conquest was inspected. The Kanoongoes were then asked who was the zamindar of the village. In reply the Kanoongoes sometimes named the actual owner of the estate, sometimes the headman of the village, sometimes a non-resident Sayyid, Jat, Thakur or Kayasth. Occasionally, a man was said to be the zamindar who had lost connection with the estate, though his name remained in the Kanoongoe's book. As the word of these officers was taken to be final without any further enquiry, the vast injustice ensuing from these Settlements can be easily imagined.

The Determination of the Amount of Revenue

The determination of the amount of revenue was based on the estimated gross assets of the estate. The revenue was assessed on the whole of such assets after a deduction of 10 per cent for the support of the engaging proprietor and 5 per cent for village expenses including the salary of the *patwari.* In calculating such assets, the *Sir* was rated at a nominal rent and rent-free holdings were excluded. Naturally, the greatest difficulty was experienced in ascertaining the true assets of the estate. On this point the assessing officer was dependent on estimates furnished by the *tahsildar,* who was paid a percentage of the amount realized, and was not, therefore, likely to err on the side of leniency. The estimate thus based on notoriously fraudulent and incomplete statements was a leap in the dark. Mistakes were common. Full revenue was difficult to realize, necessitating adjustment of the demand even during the currency of the short term leases. Mr. Dumbleton, collector of Cawnpore in a letter to the Secretary, Board of Revenue (unfortunately the date is not mentioned) described the evil results of assessments as follows:—

> There is little doubt that this method of assessment stereotyped the severe rates imposed under the Nawab's government without the same elasticity in realizing them; and there is little doubt that either these Settlements were made in the most utter ignorance of the capability of any estate to pay them, except where by absolute importunity the old proprietors compelled the collectors to listen to their protests and to personal-

ly enquire into the condition of any individual estate. The most merciful assessment took into consideration the actual assets of four years and struck an average.[2]

Defects of Early Settlements

Great discontent was naturally excited by these summary Settlements among those whose rights were overriden or neglected. The right of occupancy was regarded as a sacred right of which few would deprive the cultivator. Under these sweeping changes the new zamindars had little respect for traditional customs and rights and their chief aim was to realize as much revenue as possible lest their newly got zamindari may not be put to auction for arrears of revenue. There first Settlement entirely obliterated all customary rights whether of zamindari or occupancy. The aim of subsequent tenancy legislation has been to rehabilitate these rights so far as possible.

The aggrieved persons were asked to apply to Civil Courts to redress their grievances. The resort to Civil Courts was worse than useless. In the absence of any record of rights or other detailed information regarding the nature of land tenures the courts could do nothing to remedy the injustice which had been done. They made confusion worse confounded. The evils arising from the haste and ignorance of early Settlements were further aggravated by the measures adopted for the realization of the revenue. No record of any shares was

[2] *Final Settlement Report of the Cawnpore District* by F. N. Wright, Settlement Officer, 1878, p. 39.

kept besides those of the *lambardar* or actual engagers with Government. The amount which each co-sharer was bound to pay to the lambardar was not stated in Government records. Hence much difficulty arose in discovering the defaulters when arrears accrued. Under such circumstances the main expedient on which the collector relied was to prevent default by keeping watch-men over the crops till the revenue was realized. When this failed, the lambardars were imprisoned, and their personal property distrained. The next step was to put the whole estate to auction. Many of the sales were got up by the officers of the Government or by their friends, who themselves became purchasers at a merely nominal price.

Mr. Ravenscroft, collector of Cawnpore, sets forth in a very powerfully worded letter, dated February 21, 1816, the causes of the heavy transfers of landed property:—

> If the cause of the public sales and of the desolation which covered the face of the country in the years 1215 and 1216 *fasli* be asked, I reply without hesitation that the old system upon which the collections were made in those days was a system of rack-rent, and oppression and ruin must ever attend it in any country where the resources of the State are drawn from the rents of land. In numerous instances the alleged balances did not probably stand against the parties who engaged and whose estates were sold. The tahsildars in a new country, invested with absolute power over the internal management of all estates within their jurisdiction, and spurred on by a percentage to

> collect as much as they could without any scruples as to the mode, upon the most false and frivolous pretences, threw innumerable estates *Kham*, embezzled the revenues themselves, and brought the estates to the hammer for a fictitious balance at which the choicest villages were purchased in the names of their own connections or by the reigning *amla* in the substituted names of their relations or men of straw.[3]

In Cawnpore alone in 1803, on account of excessive revenue demands and failure of rainfall, even though remissions were granted numerous estates were brought to sale for arrears and were bought up by revenue officials. The revenue officers alone purchased for Rs. 85,638 estates paying a revenue of Rs. 1,71,000. The fraudulent sales were facilitated by the almost absolute ignorance of the names and status of the actual revenue payers. In some cases estates not actually in arrears were unjustly brought under the hammer, and fraudulently purchased by the tahsildars, on the specious but incorrect plea that the *Mukaddam's* designation did not cover proprietary title. Numerous instances also occurred where the actual proprietor was totally unconscious that he was in arrears and his estate was put to auction.

Thus the absence of a record of rights, and the ignorance of revenue officials caused havoc in the rural economy. The rights of hundreds were annihilated for the default of a few when the smallest inquiry and vigilance would have prevented the catastrophe. Many

[3] *Final Report of the Settlement of the Cawnpore District* by F. N. Wright, 1878, p. 39.

a populous and prosperous community was unjustly deprived not only of proprietary rights but also of occupancy rights of their paternal fields.

Regulation I of 1821

The confusion caused by these mistakes became at last so grave that it could not any longer be overlooked. Mr. Robertson, Judge and Magistrate of Cawnpore, (afterwards the Lieutenant-Governor of these provinces) brought to the notice of the Government of India in 1818 and again in 1820 the deplorable results of the working of the revenue system.[4] He advocated the appointment of a Special Commission which should remedy the defects, which the Civil Courts were unable to remedy. "Nothing can" he continued "be more futile than the doctrine that because a fraudulent transaction has been smuggled through the forms of office, the Government are pledged to maintain it as their deliberate act, and to be debarred from correcting any error that may have a tendency to admit upon the people (sic) that violence and wrong, which those very forms were enacted to prevent and exclude." On February 27, 1821, the Governor-General-in-Council passed a resolution giving effect to the provisions of Regulation I of 1821, establishing a Special Commission invested with powers amounting almost to a judicial dictatorship. Every public or private transfer of land which had taken place within the first seven or eight

[4] *Final Settlement Report of the Cawnpore District* by F. N. Wright, 1878, *Covering Letter*, p. 7.

years of the early British rule was declared open to inquiry and annulment by the Commission, if equity required it. Every act of the revenue officers performed in the same period was similarly thrown open to revision. In Cawnpore much good was done by the Special Commission. Of 243 suits instituted to set aside the auction sales, 185 were decreed.

Mr. Holt Mackenzie's Minute

Mr. Holt Mackenzie, the Secretary to the Board of Revenue, wrote his famous Minute, dated July 1, 1819. This remarkable Minute is a mine of information and will pay the most careful study. Mr. Mackenzie, who was of studious habits and gifted with a keen and comprehensive intellect, contended that the only sure basis upon which revision could rest was the detailed measurement field by field of the whole area under Settlement, with a careful classification of various types of soils according to their varying productiveness. Great facilities were naturally offered during the course of such detailed measurement and investigation for ascertaining the different types of land tenures and the rights of occupancy in land. These views were fully accepted by the Government, and were embodied in the famous Regulation VII of 1822.[5]

Regulation VII of 1822

Regulation VII of 1822 marks the beginning of the

[5] See *Selections from the Revenue Records, North-Western Provinces,* 1818-20. Calcutta, 1866. Secretariat Library, Allahabad. The *Selections* contain the *Minute.*

development of the revenue system of the North-Western Provinces. As noted elsewhere,[6] the promise of a permanent settlement was held out soon after the acquisition of the Ceded and Conquered Districts but it became clear that no Settlement could be made in perpetuity which did not give legal recognition to the sub-proprietory rights of the cultivating classes. It was, therefore, necessary that detailed inquiries should be instituted respecting the various forms of tenures actually recognized in the country. It was with the object of organising these enquiries that Regulation VII of 1822 was passed.

The Regulation laid down the principles according to which the Settlement of the land revenue should be made in the Ceded and Conquered Districts. It, for the first time, definitely recognized, defined, settled, and recorded the rights, interests, privileges and obligations of various classes and persons possessing an interest in the land, or in the rent or produce thereof.

Provisions were made, in the case of estates held in *pattidari* or *bhaiachara* tenure, for the protection of sharers who had not been admitted to engagements with Government against the encroachments of the lambardars. The existing Settlement was extended for a further period of five years.[7]

Principles of Settlement. Record of Rights

The proprietors of estates let in farm were allowed

[6] See Chapter II.

[7] Regulation VII of 1822. See the preamble to the Regulation.

to receive *malikana* (proprietor's share) not less than five and not more than ten per cent of the Government jama (revenue).[8] The revision of the Settlement was to be made village by village and *mahal* by *mahal*.[9] The assessment to be demanded on the revision of the Settlement was to be fixed with reference to the produce and quality of land.[10] Herein was laid down a definite principle for the assessment of the land revenue in future. It was the duty of the collector to prepare a *record of rights,* in every village or estate before settling the land revenue it was to pay. Section IX of the Regulation laid precise conditions for the preparation of a record of rights on the occasion of making or revising a Settlement. The record of rights was to contain the fullest information regarding various types of land tenures, local customs, and the interests, rights and liabilities of different persons and bodies possessing interest in land. It definitely recognized the rights of village communities. The village communities employed in common the village artisans and functionaries, maintained the irrigation channels and arranged for the construction of works of public utility. Their revenue was derived from each coparcener in the village. The early revenue officers had neglected the existence of these communities and settled the revenue with a landlord. Regulation VII marks the beginning of the

[8] Regulation VII of 1822, Section V, Clause 2.
[9] Regulation VII of 1822, Section V, Clause 2.
[10] Regulation VII of 1822, Section VII, Clause 2.

official recognition of those village communities and their rights.[11] Thus in villages where these bodies had preserved their constitution and had not been swept away by the neglect and sweeping enactments of the early times, a *sub-settlement,* (*mufassal* Settlement was the term used in Regulation VII of 1822) was made, which fixed what the village was to pay to the landlord.[12]

Principle of Joint and Several Responsibility. Creation of Lambardars

In cases where the village was possessed jointly by two or more persons the revenue officers were instructed to make a joint Settlement with the entire body as a jointly and severally responsible unit. When the joint Settlement was made it was open to the body to appoint an agent (*the lambardar*) to undertake the management of the *mahal* as *sudder malguzar* (landlord-in-chief)[13] It was also enacted that lands separately owned and occupied though held in one *mahal,* may be separately settled (perfect partition of estates).[14] Thus some of the main principles of the modern Settlement operations and assessment were laid down in Regulation VII of 1822.

The Regulation, however, could not be efficiently worked because there were vital defects in the new system arising chiefly from the want of a personal ex-

[11] Regulation VII of 1822, Section IX, Clause 1.
[12] Regulation VII of 1822, Section X, Clause 2.
[13] Regulation VII of 1822, Section X, Clause 3.
[14] Regulation VII of 1822, Section X, Clause 9.

perience in the civilians of the duties of a subordinate revenue officer. Too much detail was required on all points. In determining the revenue broad principles were neglected in the intricacies of a laborious calculation. Arbitrary rates were applied to arbitrary classification of soil. There was only one Board of Revenue at Calcutta, too far from the scene of operations, to be of any use as a directing authority in the work. The revision went on slowly, 10 or 20 villages were supposed to provide enough work for a whole year. In Aligarh district only 127 villages were settled in seven years, the average rate being nineteen per annum. When 10 years had elapsed since the promulgation of Regulation VII of 1822, it was calculated that 60 more years would be required to complete the work in many districts. The system, in short, though admirable in theory, had broken down in actual practice.[15]

Regulation IX of 1833. Conference of Revenue Officers, 1833

The question of finding out a practical scheme of assessment was discussed at a Conference held at Allahabad over which Lord William Bentinck presided; and the result was the passing of Regulation IX of 1833. It was an amending law, it simplified the method of assessment and made it more practical and easy. The effects of the law may be summed up thus:—

(i) It was not necessary that disputed claims

[15] Morrison, Sir Theodore. *The Industrial Organization of an Indian Province,* (John Murray, London), 1906, p. 29.

of all kinds and of any standing should be adjudicated at the time of Settlement. The majority of judicial cases were transferred from the Settlement Officer's court.

(ii) The tedious estimates of the quantity and value of actual produce were dispensed with and the system of average rent and revenue rates for different classes of soil was introduced.

(iii) The Patwari's annual papers were put on a new and wholly different footing. The important addition of a field map (*Shajra*) was made to *Khasra* for registering private rights.

(iv) Indian Deputy Collectors were appointed to help in assessment.

(v) The period of Settlement was extended to 30 years.

(vi) The State demand was reduced to 66 per cent of the net assets.

As a result of the Regulation IX of 1833, the Western Board of Revenue was created with two members. The Junior Member, Robert Mertins Bird, directed the task of Settlement operations. The first regular Settlement of the North-West Provinces (excepting Dehradun and parts of Bundelkhand) was made between 1833 and 1844 for a term of 30 years.

The standard of assessment was two-thirds of the net assets, that is, two-thirds of the gross rental of lands

cultivated by tenants. A like proportion of the net profits of the land cultivated by the landlord was also demanded.

The procedure followed by Bird consisted of five stages, viz:—

(i) In the first stage a rough estimate of all the land included in the fiscal area was made.

(ii) In the second a field map (*Shajra*) was prepared.

(iii) The third consisted in making a professional survey showing the cultivated and the uncultivated land.

(iv) The fourth process was the fixing of the land revenue for the entire fiscal area.

(v) In the last stage the entire amount was apportioned among the villages contained within the area.

"We then proceeded," said Mertins Bird, "to investigate the assessment of the Government land tax upon that tract, finding out, as best as we could from the previous payments, and from the statements of the people themselves, from the nature of the crop and the nature of the soil, and such various means as experience furnished to us, what might be considered a fair demand for the Government to lay upon it."[16]

Bird's method of assessment had this weak point; it gave the widest latitude to the Settlement Officers, and created the greatest uncertainty regarding the liabili-

[16] Quoted in *India in the Victorian Age* R. C. Dutt, I.C.S., p. 35.

ties of the agriculturist. No two Settlement Officers could form the same judgment on data which was so vague and the assessment made at one Settlement has departed from, and generally enhanced, at the next Settlement.[17]

In spite of this grave defect Bird's system marks an important stage in the evolution of the revenue system of the province. It considerably moderated the excessive and oppressive demand of the first thirty years of British rule. It gave the agriculturist a great relief from continuous harassment of short term leases by giving him a long term Settlement.

Conclusion

Two important questions, however, remain to be answered, viz:—(i) what was the proportion of the net income which went to the State? and (ii) what principles were followed in estimating that net income?

With regard to the first question the answer is easy. The proportion of the net income demanded by Government had been constantly decreasing. In the beginning the proprietors were given only a small portion of the rents collected by them, i.e., not more than 10 per cent. Regulation VII of 1822 fixed the State share at 83 per cent, and Regulation IX of 1833 at 66 per cent, while the Saharanpur Rules of 1855 reduced it to 50 per cent.

No doubt there was a gradual increase in the share of the assets surrendered to the proprietors, but the

[17] See Dutt, op. cit., p. 35.

amount of revenue demanded from them was constantly being revised and usually enhanced. The fiscal history of the Ceded and Conquered Districts during the early part of British rule was one of constant change and much chaos prevailed. Take the case of the Muttra, Cawnpore and Aligarh districts. The Cawnpore district was ceded by the Oudh Government in 1802. The people at the time of cession were reported by Mr. Welland, the first collector, to be in a state of most abject poverty. At the time of cession Mr. Montgomery thought it was the object of the Nawab to show as high returns of revenue as possible in order "that the British Authorities might be amused with an exaggerated estimate of their acquisition."[18] And yet the first Settlement made by the British revenue authorities was an advance on the exaggerated estimate given by the Nawab's rent-roll. The result was that the Settlement completely broke down a year after it was made, necessitating large remissions amounting to nearly one-sixth of the entire revenue of the district. This opened the door to a flood of chicanery, fraud, and deceit on the part of the Indian officials, and a large number of estates were sold for arrears of revenue.

The earlier Settlements of the district were based on the estimated rental value of each estate, and the revenue assessed was on the whole estate, after a deduction of 10 per cent for *malikana* and 5 per cent for village expenses. Large reductions were made in the second

[18] *Final Report on the Settlement of the Cawnpore District* by F. N. Wright, 1878, pp. 31-32.

and third Settlements; and an equitable distribution of revenue was made by Mr. Newnham in the fourth Settlement. This Settlement worked well till "the failure of the great indigo houses and the stoppage of the country cotton factories." The assessment at each successive Settlement was as follows:—

	Rs.
First	24,69,046
Second	23,86,090
Third	23,16,301
Fourth	23,20,548
Fifth	21,81,776

The district of Muttra formed part of the Conquered Districts obtained from Sindhia by the treaty of Arjengaum, dated December 30, 1803. The arrangements for the collection of the revenue for the first year were merely provisional. Under Regulation IX of 1805 it was ordered that there should be a triennial Settlement from June 1808 to May 1811, and then a quadrennial Settlement from June 1811 to May 1815, after which a permanent settlement was to be made for all lands in a sufficiently advanced state to allow it. As the question of Permanent Settlement was shelved, a quinquennial Settlement was made which continued till May, 1830. Under Regulation IX of 1833 Mr. Tyler made a fresh Settlement in 1842 which continued till the year 1872. Such, in brief is the progress of Settlement operations in the district. The revenue demand in the various Settlements is given

below:—

	Rs.
First triennial Settlement 1805-1808	10,13,258
Second triennial Settlement 1808-1811	10,76,304
Second triennial Settlement extended to 1815	
Third quadrennial Settlement 1815-1820	11,99,997
Fourth Settlement 1820-1842 ..	14,28,188[19]

Mr. W. H. Smith in his Settlement Report of Aligarh district mentions that there was an enormous increase in revenue up to 1833; it rose from Rs. 19,29,878 in 1804-05 to Rs. 33,14,022 in 1815-16, a 71 per cent increase in twelve years.

In the case of Cawnpore it would appear that there was a decreased demand at each successive Settlement. But though the demand did decrease it still was excessive. Sir Theodore Morrison rightly lays down two infallible tests by which we can judge whether the early assessments were excessive or not, viz: (i) if the Government was unable to realize the demand; and (ii) if estates were constantly changing hands.[20] Judged by these two tests the early Settlements were certainly excessive. We have just seen that in the case of Cawn-

[19] *Report of the Settlement of the Muttra District* by R. S. Whiteway, I.C.S., 1879, p. 53.

[20] See *Industrial Organisation of an Indian Province* by Sir Theodore Morrison, p. 34.

pore, in the very first year of the Settlement, the Government had to grant remissions up to one-sixth of the entire revenue of the district. In fact, the burden of revenue was too heavy and hence out of sheer necessity the revenue was decreased in Cawnpore. The revenue demands of the first triennial Settlement were rarely collected in full. In Aligarh, a sum of Rs. 24,57,253 was demanded for the last year of the Settlement, 1807-08, of which a sum of Rs. 19,34,485 was collected. Mr. Whiteway, the Settlement Officer of Muttra district in 1879, stated that 'the earlier Settlements professed no scientific accuracy; the assets assumed were roughly the highest the zamindars would agree to give; while in no year was the full amount of the demand collected.' The same story is told in other districts.

The severity of the assessment is also borne out by the changes in the ownership of the property. Mr. F. N. Wright examined this question with great care with regard to Cawnpore district from the first Settlement to the final Settlement of 1887. The statement given in para 192 of the Report showing the position of hereditary owners at successive periods is extremely significant and suggestive and may be put in an abstract here:—[21]

[21] *Final Settlement Report of Cawnpore*, 1878, p. 36.

First Founding		At Cession 1802		At Settlement 1840		At Present Revision 1878	
Hereditary	Purchaser	Hereditary	Purchaser	Hereditary	Purchaser	Hereditary	Purchaser
100	..	84.3%	15.7%	60.0%	40.0%	37.4%	62.6%

The above statement clearly shows that the alienation of land belonging to old proprietors had been going on at an alarming speed with the result that in 1878 the percentage of area possessed by the purchasers was 62.6 per cent as compared with only 37.4 per cent possessed by hereditary classes. For Muttra district figures of sales of land are not available before the Settlement of Mr. Tyler under Regulation IX of 1833. The figures for sales of land for arrears of revenue from the time of Mr. Tyler's Settlement to Mr. Whiteway's Settlement 1879 show interesting developments. They are:—[22]

	Acres	
(i) During the first 12 years	64,467	(1838-50)
(ii) During the next 7 years, up to Mutiny	2,408	(1850-57)
(iii) From Mutiny to 1878	9,914	(1858-71)

It is difficult to form an accurate estimate of these transfers as the composition of the area of the districts was frequently changed.

[22] *Muttra Settlement Report* by R. S. Whiteway, I.C.S., 1879, p. 80.

The Settlement Officer, however, stated that by 1878, 42 per cent of the area had been permanently transferred from persons who were proprietors at the time of British conquest while over one third of the area had been permanently transferred from those persons with whom the last Settlement was concluded.

Thus it will appear that the earliest Settlements must have caused great hardship to the proprietors as well as the tenants. The excessive revenue demand and the frequent changes in the ownership of property tended to create uncertainty and disturbed the equilibrium of rural economy. But it must be admitted that this almost chaotic condition was not entirely an outcome of the British administration of the times. It was partially a legacy of the maladministration of the country during the reign of the later Moghuls.

CHAPTER V

PRINCIPLES OF ASSESSMENT

Having considered the important aspects of land policy in the early years of the Company's rule, we now pass on to examine the principles of assessment as developed in the later half of the nineteenth century. The first half of the nineteenth century was a period of conquest and consolidation of British power. The main object of the East India Company was the realization of a large amount of revenue necessary for the wars in which the Company was engaged. There was little opportunity in such a disturbed period to place the land revenue system on sound theoretical principles. During the second half of the nineteenth century with the development of means of transportation and communication the economic unification of the country had begun. It was in this period that all the work of Survey and Settlement was completed and the land revenue demand was based on principles, which even today with slight modifications, form the basis of land assessment. Lord Curzon's famous Resolution of 1902 marks a landmark in the history of the land revenue policy. It was an emphatic assertion of the success of the land revenue policy. It, however, did not advocate any fundamental change in the principles of assessment.

Directions for Revenue Officers

Perhaps the most remarkable development in the land revenue policy that ever took place in these provinces was when James Thomason became the Lieutenant-Governor in 1843. He was easily one of the most distinguished revenue administrators of India. His *Directions for Revenue Officers*, published in August 1849, was the first Land Revenue Code compiled in India.[1] The "Directions" consisted of 195 paragraphs and distinctly laid down the procedure and principles on which the Settlements were to be conducted in Northern India.

According to the *Directions* the assessment of estates was not to be calculated by any fixed arithmetical process or by any fixed rule. Nor was the Government demand to bear a fixed proportion to the gross or net produce of the land. The reasons given were that the net produce for any given area could not be ascertained with accuracy. Moreover, it would also afford no certain guide to the produce of years to come, which would depend upon extension or contraction of cultivation, improvement, or deterioration in agriculture, opening of canals and development in the means of transport. Hence, the Settlement Officer was to proceed on the assumption that the "assessment operation was not one of arithmetical calculation, but of judgment and sound discretion."

[1] Thomason, J., *Directions for Revenue Officers in the North-Western Provinces*, (*Calcutta* 1850). (India Office Library, London).

Regarding the percentage demanded by the Government, paragraph 52 of the *Directions* laid down that the Government should not demand more than two-thirds of what may be expected to be the net produce to the proprietor, leaving one-third to the proprietor to cover his expenses of collection and profits. By "net produce" was meant in the case of cultivating proprietors, the surplus which the estate would yield, after deducting the expenses of cultivation, including the profits of stock and wages of labour, or the gross rentals on lands leased out to cultivators.

The Settlement Officer, to arrive at a correct net produce, was to take into consideration:—

(i) The return of the cultivated and cultivable area of the village, of irrigated land and the different kinds of soils; (ii) the experience of past Settlement Officers, past collectors and the price realized, if the village was brought to sale; (iii) the gross rentals of the village under Settlement as compared with other villages in the same tract; (iv) the character of the people, style of cultivation, possibility of improvements and the state of market for the produce; lastly, (v) the opinion of the *Pargana* Officers, and the estimate of the neighbouring Zamindars.

The Settlement Officer was also to pay attention to (i) *Sayer*, i.e., the profits of the Zamindar on account of the produce of trees, forests etc., (ii) *Sir* lands, and (iii) rent-free grants.

Finally, the Settlement Officer was warned against over-assessment as it discourages the people and demo-

ralizes them by driving them to unworthy shifts and expedients, and it also prevents the accumulation of capital, and dries up the resources of the country. Viewing the question simply from a financial point of view an assessment which presses hard upon the resources of the people, is most injurious.[2]

These directions were generally everywhere adopted as a guide in the determination of the amount of assessment. But the actual process of assessment adopted in the Settlements of various districts, sometimes differed, according to the discretion of the Settlement Officer, from that recommended in the *Directions*.

Average Rent-rates

The first step towards the assessment of a district was the calculation of average rent-rates; that is, fair rents paid per acre of land. In the earlier Settlements they were derived through various methods according to the discretion of the Settlement Officer. The simplest plan was to divide the aggregate rental of the villages in a *pargana* by the aggregate area of the rent-paying land. The aggregate cash rental was ascertained from the rent-rolls and to them was added the estimated rents of lands cultivated by the proprietors themselves. The process was sometimes made more elaborate by classifying the village area into different kinds of soil blocks, clay, loam and sand, or homestead, middle and outlying lands. The general averages thus calculated for different

[2] See Thomason, *Directions for Revenue Officers*, paras 51 to 59.

circles were checked by comparisons with each other, with different rates in different parts of the same circle, and lastly, with the results of the Settlement Officer's personal inquiry from village to village. The manorial profits i.e., the profits of the Zamindar on account of the produce of trees, forest, etc. were added to the aggregate sum and the result was the new *jama*.[3]

Mr. Elliott's Method [4]

As the Settlement of the province went on the process became more elaborate, till from the simple Saharanpur division of rental by area to give all-round rent-rates, it reached a very high degree of perfection at the hands of Mr. (afterwards Sir) C. A. Elliott in his Settlement of the Farrukhabad District. His method, which was adopted in all the later Settlements, was the foundation of the rules drawn up by the Board of Revenue in 1875. It was based primarily, on division of the village into natural soils, and secondarily, on division into artificial areas due to differences in manure and irrigation facilities which effect the productivity of the lands and consequently rent-rates.

Every village was divided into three classes of artificial soils or *hars, Gauhan, Manjha,* and *Barhet,* i.e.,

[3] For an excellent historical account of the methods followed by the Settlement Officers see *Settlement Officers' Manual* compiled by Vincent Arthur Smith, I.C.S., 1881, Chapter IV. India Office Library.

[4] *Final Report of the Settlement of Farrukhabad District* by H. F. Evans, I.C.S., 1875. It contains the Settlement Report of Chibramau by C. A. Elliott, I.C.S., Settlement Officer, dated July 11, 1868. The references are to Elliott's Report.

highly manured, slightly manured, and unmanured. The *gauhan* or *homestead* are the best lands in a village. They receive a greater care and attention than lands lying further off. They are mostly irrigated by wells and produce valuable crops, like potatoes, tobacco, and garden vegetables. The *manjha or middle* zone are slightly manured and irrigated and produce crops like wheat and gram. The *barhet* or *outlying lands* lie at a distance from the village site. They receive least attention, are mostly unmanured and depend upon rainfall for the dry crops. Combining all the factors, Mr. Elliott divided the soils into the following 13 classes in Chibramau (Farrukhabad) Settlement Report:—

1. Gauhan, 1st.
2. Gauhan, 2nd.
3. Gauhan, Unirrigated.
4. Irrigated, Dumat, 1st. (Manjha).
5. Irrigated Dumat, 2nd. (Barhet).
6. Irrigated Bhur, (Barhet).
7. Tarai, 1st.
8. Tarai, 2nd.
9. Dry Dumat, 1st. (Manjha).
10. Dry Dumat, 2nd. (Barhet).
11. Dry Bhur, 1st. (Manjha).
12. Dry Bhur, 2nd. (Barhet).
13. Dry Bhur, 3rd. (Slope).[5]

The method of assessment, based on the above soil classification, followed by Mr. Elliott was to divide the

[5] *Chibramau Settlement Report* by C. A. Elliott, I.C.S., 1875, p. 15.

village first into different soil blocks; and then with the help of the existing rent-rolls, average "soil-rates" (by dividing the total rent paid by total soil area) were calculated. The next step in the assessment was to ascertain the actual rents paid for each class of soil in the pargana; abnormally low or high rents being excluded. To find out the correctness of the actual rates and also to see that the soil rates were not too high or too low, actual rates were compared with the soil rates. The rent-rates used in making the final jama were a little over or below the actual rents paid, they were the "soil" rates (sometimes called "standard"). The following table from the Farrukhabad Settlement Report will fully illustrate the method adopted:[6]

[6] *Chibramau Settlement Report* by C. A. Elliott, I.C.S., p. 20.

Soil[7]	Area in Bighas	Actual rent rates	Declared rental Rs.	Soil-rate	Assessment rental Rs.
		Rs. a. p.		Rs. a. p.	
1. Gauhan 1st	2,040	5 14 6	12,049	6 0 0	12,240
2. Gauhan 2nd	3,563	3 8 3	12,526	4 8 0	16,033
3. Dry	146	2 5 0	388	3 0 0	438
4. Irrigated Dumat 1st	8,799	3 0 0	26,682	4 0 0	35,196
5. Irrigated Dumat 2nd	11,777	2 4 3	26,682	2 8 0	29,362
6. Irrigated Bhur	8,945	2 1 6	18,729	2 8 0	22,362
7. Tarai 1st	5,508	2 9 3	14,200	3 0 0	16,524
8. Tarai 2nd	5,364	1 11 9	8,967	2 0 0	10,728
9. Unirrigated Dumat 1st ..	6,494	1 12 3	11,466	2 0 0	12,988
10. Unirrigated Dumat, 2nd ..	3,351	1 4 0	4,189	1 0 0	3,351
11. Unirrigated Bhur 1st	16,580	1 6 3	23,057	1 8 0	24,870
12. Unirrigated Bhur 2nd ..	16,348	1 2 0	18,391	1 0 0	16,348
13. Unirrigated Bhur 3rd ..	9,075	0 13 0	7,373	0 12 0	6,806
Total ..	97,990	1 14 5	1,84,364	..	2,07,326

[7] *Chibramau Settlement Report*, p. 20.

Defects in the First Regular Settlements

The first regular series of Settlements, started in 1853, were concluded in all districts by 1880. The method of assessment as described previously, was based on Thomason's *Directions* with minor modifications and alterations. The Settlement Reports are monument to the industry of English civilians. They are a mine of information regarding the early land policy of the Company.

The methods of assessment had then passed through many experimental stages since cession and conquest, to the final Settlement operations concluded about 1880. Starting with the summary Settlements of 1802, each subsequent method was an improvement over the past. The final Settlement operations, though they improved the machinery and mode of assessment, were still essentially defective from a practical point of view.[8] A close study of various Settlement Reports reveals severity of assessments as the common feature in most districts. The Saharanpur limit of 50 per cent was nowhere a sufficient protection against over-assessment. No better proof of severe assessments can be adduced than the memorandum penned by Sir William Muir in March 1874, which was published in the *Indian Economist* of the June 30, 1874.[9]

[8] A trenchant criticism of the First Regular Settlements is given in *Our Land Revenue Policy in Northern India* by Charles James Connell, I.C.S., 1876. (Thacker, Spink & Co., Calcutta).

[9] A summary of the views, enunciated in the *Indian Economist*, is given in Mr. Colvin's *Memorandum of Revision of Settlements in N. W. P.*, 1874, p. 73.

The main reason for over-assessment was due to the varying construction placed upon the word "assets". Some Settlement Officers pitched their *standard rates* at a high level as they discounted the coming rise of rent in expectation of a rise in the value of land and produce due to the progress of society.

Sir William remarked: "The assessment is so much dependent on the idiosyncrasy of the Settlement Officers that one will be found assessing at a severer standard than another, and even the same officer himself on somewhat different standards at different times."[10]

The assessments of Muzaffarnagar, Jalaun, Etawah, Farrukhabad and the highly precarious districts of Bundelkhand were most imperfectly settled and demanded a radical revision just after the Settlements were completed. This was admitted by Sir William Muir, one of the greatest revenue authorities in Northern India. He admitted the grave imperfections, nay it may almost be said, the complete collapse of the then existing system of assessments. It is to be regretted that some of the ablest and most diligent civilians after toiling for decades produced a revenue system unhappy at least in some cases in its results. Sir William Muir did not order complete revision, because he shrunk back appalled from the magnitude of the task.[11] Similarly, Mr. C. Bayley gave it as his opinion in the Council that he believed that he was within the mark when he said that in the three quarters of a cen-

[10] Connell. Op. cit., p. 35.
[11] Connell. Op. cit., pp. 36-7.

tury during which our Government had held the North-Western Provinces, there was scarcely a district in those provinces which had not suffered wholly or partially from over-assessment.[12]

The subsequent acute agrarian troubles of Bundelkhand which resulted in the partial expropriation of the landed classes and the emergence of a capitalist land-holding class were largely due to the severity of assessment. In fact, as Mr. Mayne wrote of the Bundelkhand Settlement as early as 1859, "to raise the revenue seems to have been the main object, and let the means be what they might, so long as the increase of revenue was obtained, it was received as an indication of prosperity; and limitation to the power and possibility of paying appears never to have been contemplated."[13]

Perhaps the most fatal mistake in the Settlement operations was the rejection of village rent-rolls as not affording any trustworthy data, and devising and calculating deceptive "average rent-rates". The tendency reached a climax when the village soils were divided into as many as twelve or thirteen classes.[14] It is incredible that the assessor could evolve correct average rent-rates for so many different classes of soils. It is no odd coincidence that Farrukhabad and Etawah were some of the most severely assessed districts. Such minute subdivision of soils resulted in rack-revenue and ultimately rack-renting.

[12] Connell. Op. cit., p. 39.
[13] Ibid., p. 39.
[14] Twelve in Etawah and thirteen in Farrukhabad.

The practice of increasing the revenue demand on the basis of a prospective increase in income was common. The Settlement Officers in the height of their zeal for increased revenue explored the future chances 'with prophetic vision into the misty future.' They anticipated that jungle land would be brought under cultivation; that a canal would offer abundant facilities for irrigation; that a railway line would improve the means of transportation; that prices would rise; that population would increase; that competition for land would increase; and in these pleasant beliefs they often raised the Government demand to more than half the net assets. This policy, however, was rightly discouraged by the Board of Revenue afterwards.[15]

To show the severity of the assessment, I shall take the example of three districts which were settled at that time. In Aligarh at the commencement of Settlement the revenue was Rs. 18,47,769. The Settlement Officer increased the revenue to Rs. 21,47,342, (an increase of 16.2 per cent).[16] In Muttra the revenue demand was increased from Rs. 13,65,002 to Rs. 15,30,404 (an increase of 12 per cent).[17] In Jhansi, in spite of the precarious condition of the district, the revenue demand was increased from Rs. 4,86,567 to Rs. 5,15,175 (an increase of 13.28 per cent).[18]

[15] Connell. Op. cit., p. 48.

[16] *Aligarh Settlement Report,* 1882 by W. H. Smith, I.C.S., p. 67.

[17] *Muttra Settlement Report,* 1878 by R. S. Whiteway, I.C.S., p. 8.

[18] *Jhansi Settlement Report,* 1883-93 by W. H. Impey, I.C.S., and J. S. Meston (Now Lord).

When to these increases the enhancements of the earlier periods are added, in some cases, it would appear, the revenue was more than doubled.[19] With the peace and security brought by British rule, the demand for land became keener and hence the enhancements of revenue were shifted, in a very large proportion, to cultivators. Thus the peasantry was the real sufferer because the increased revenue demand ultimately increased the rentals.

Land Revenue Legislation

While the Settlements were still in progress in some districts, the Government for the future guidance of Settlement Officers and for facilitating the task of revenue Courts, passed two important Revenue Acts. The North-Western Provinces Land Revenue Bill was introduced into the Imperial Legislative Council in the early part of 1872 and after being passed became the North-Western Provinces Land Revenue Act (XIX) of 1873. A similar Bill was introduced for Oudh at the close of the year 1872. There was some delay in the passing of that Bill and it was not till 1876 that the Bill became the Oudh Land Revenue Act (XVII) of 1876.

The North-Western Provinces Act was a consolidating measure. The Act consolidated in a clear and condensed form the land revenue legislation which so far was dependent on Regulation VII of 1822, supplemented by Regulation IX of 1833 and numerous other

[19] See Chapter IV, pp. 67-71 for increases during 1802 to 1840.

Regulations and Acts over 40 in number. The Act was, therefore, of great practical importance.[20]

The Act of 1873 codified the powers of all Revenue Officers; the procedure of Revenue Courts; the assessment and collection of the Land Revenue; the adjudication of rents at the time of Settlement by the Settlement Officer; the preparation and maintenance of the record of rights; the partition and union of estates; the administration of the Court of Wards, and the disposal of appeals from orders passed under the Act.[21]

The two important rules introduced by the Act were the concessions granted to ex-proprietary tenants and the power given to the Settlement Officer of fixing occupancy rents at the time of Settlement. The Settlement Officer was empowered to fix the rents of ex-proprietary tenants at a rate which was to be four annas in the rupee below the prevailing rate for land of similar quality with similar advantages held by tenants-at-will in the same circle. Similarly, in case of a dispute relating to the rent of occupancy tenants the Settlement Officer could fix his rent either by reference to the standard rent-rates fixed by the Board of Revenue or by the customary rents paid by tenants with similar advantages.

[20] See the speech of Mr. Miller in introducing the North-Western Provinces and Oudh Land Revenue Bill, 1899. *Proceedings of the Provincial Legislative Council,* November 22, 1899, (Lucknow).

[21] V. *Statement of Objects and Reasons for the North-Western Provinces Land Revenue Bill,* 1872 by J. F. D. Inglis, I.C.S. (Calcutta), January 6, 1873. India Office Library.

The Oudh Land Revenue Act was on the lines of the North-Western Provinces Act. The points of difference in the Oudh Act were mainly due to the different system of land tenures in the two provinces, but from our point of view are of little significance.

The North-Western Provinces Land Revenue Act of 1901

The Acts remained in force for more than 25 years. But towards the close of the century it was felt necessary to pass an Act to consolidate and unify the revenue systems of the two provinces which had been under the same Local Government for practically half a century. The North-Western Provinces and Oudh Land Revenue Bill was introduced in 1899 and became the North-Western Provinces Revenue Act III of 1901.

Among the important changes brought about by the Act, the following may be mentioned:—

(i) The two operations of the preparation of a record-of-rights and assessment were separated.

(ii) The Settlement Officer's powers of fixation of rent of exproprietary and occupancy tenants were enhanced. He could on his motion fix their rents at the time of Settlement operation.

(iii) Under the Act the collector, during the course of mutation proceedings, was required to record the rights of occupancy and ex-proprietary tenants and to fix their rents.

(iv) The Settement Officer before assessment was required to submit a rent-rate report for sanction to the

Board of Revenue. On the receipt of the sanction he was to frame proposals of assessment which again he was to submit for the orders of the Board.

The object of the Act was to consolidate the law of the two provinces, to protect the interests of ex-proprietary and occupancy cultivators and to place the Settlement Officer under the guidance of the Board of Revenue at each stage of assessment so that the danger of assessment dependent upon the personal equation of the Settlement Officer may be minimized.

This Act has been amended by the United Provinces Land Revenue (Amendment-Settlement) Act (I) of 1929. But before we pass to the latter Act let us consider the constitutional position of Land Revenue.

Constitutional Position

Before the introduction of the Reforms of 1919 Land Revenue was a 'divided' head of revenue. But as the assessment and collection of land revenue were intimately connected with rural administration its transference to the provinces was an essential step in constitutional advancement. The authors of the Joint Report (1919), therefore, transferred it to the provinces. Under the Reforms it was a provincial "reserved" subject.

Land Revenue, before the Reforms, was levied by executive action. The methods and the pitch of assessment were not under any statutory control. To remove this objection, the Joint Select Committee of the Houses of Parliament in 1919 recommended that "the imposition of new burdens should be gradually brought more

within the purview of the Legislature". To give effect to this recommendation the United Provinces Government passed the Land Revenue (Amendment) Act of 1929 by which the process of the land revenue assessment is now regulated by statute. The Legislative Council is given full opportunity to give its advice in revision of assessments or resettlements.

Under the Government of India Act, 1935, the distinction between the reserved and transferred subjects has been abolished and land revenue is now a provincial subject under the charge of a minister responsible to the legislature. The Provincial Governments have full powers to deal with the following items included under land revenue:—

(i) Assessment and collection of land revenue;
(ii) Maintenance of land records; survey for revenue purposes and record of rights;
(iii) Alienation of land revenue;
(iv) Land tenures, including transfer and devolution of agricultural land; and
(v) Relations of landlords and tenants and collection of rents.

The United Provinces Land Revenue (Amendment) Act of 1929

The main changes introduced by the Amendment Act are:—

(i) The revenue assessed on a *mahal* shall ordinarily be forty per cent of the net assets. In no case shall it exceed forty-five per cent of the net assets.

(ii) The revenue of a *mahal* (except in some circumstances) shall not be enhanced by more than one-third of the expiring demand.

(iii) The enhanced demand, to avoid hardship, is to be distributed on a progressive basis after the fixing of the revenue.

(iv) When the Settlement Officer has completed the assessment, he shall publish the proposals. They shall be laid before the Board of Revenue and shall be subject to the sanction of the Local Government which may approve or modify them.

(v) The term of the Settlement has been extended to forty years.

(vi) The Legislative Council shall be given an opportunity of discussing the forecast, the assessment proposals and the final Settlement Report.

(vii) The Local Government before passing any orders must consider any resolution passed by the Council on a Settlement.

The Leading Principles of Assessment

It may perhaps be useful at this stage briefly to summarise the leading principles of assessment as described in the foregoing pages.[22]

The two important terms used in the Settlement of Land Revenue are, *assessment* and *settlement*. By assessment is meant the process by which the revenue

[22] In this summary, there may be a certain amount of repetition. But for the sake of clearness the leading principles have been put in at one place.

demand of a particular area, holding or village is calculated. By *settlement* is meant the contract by which an individual or a body of persons is singly or jointly responsible for the payment of land revenue assessed on a particular area. But *settlement* is often used in a broad sense and covers *all* the processes necessary for the settlement of land revenue, e.g., preparation of survey map, "record operations," "soil classifications," "record of rights" and "assessment proper." The results of these operations are published in a *Settlement Report.*

Settlement operations may broadly be divided into four important stages, viz: (i) the preparation of a survey map and record of rights; (ii) soil classification; (iii) assessment proper; and (iv) the presentation of the Settlement Report to the Board of Revenue and the Legislative Council.

The preparation of a survey map is the first step in Settlements. Usually each village has a separate map. The map is prepared by the *patwari* and some trained assistants deputed for the work. In some recent Settlements in the United Provinces photographic maps have been prepared by an aerial survey.[23]

After the field map is ready a 'record of rights' is prepared. The records are: (1) a field-map (*Khasra*). In *Khasra* are recorded (*a*) the names of the landlords; (*b*) the names of the tenants who are holding the land; (*c*) the class to which each tenant belongs (e.g., occu-

[23] Vide. Blunt, Sir E. A. H., I.C.S., *Indian Civil Service,* (1937), p. 134.

pancy, statutory etc.); (*d*) the sources of irrigation; (*e*) the nature of the land; and (*f*) the crops that are raised on it. The second record is a register of holdings (*Khatauni*). In this are recorded against the name of each tenant the serial number of the fields held by him, their areas and the annual rent. The last record (*Khewat*) contains the names of proprietors, (under-proprietors, mortgages, etc.) the extent of their share in the property and the amount of revenue 'settled' with him.

These records are very important and even when the Settlement is over they are kept up-to-date and revised annually by the patwari.

The third stage is of soil classification. The bases of sub-division of soil are various, the most important divisions are based on:—(*a*) the nature of the soil e.g., loam, clay etc; (*b*) the nature of cropping; double-cropping (*dofasli*) or single-cropping (*ekfasli*); (*c*) the distance from the village (*gauhan, manjha, barhet,* also called *palo*) i.e., village land, middle zone, and outer zone; and (*d*) means of irrigation i.e., irrigated by canals, wells or rainfall. The soil classification in each case depends upon local conditions. It is an important factor in the actual process of assessment.

The fourth stage is the most important one. We have already seen that the basis of assessment is no longer the *gross* but the *net produce.* The difference in Settlements in various provinces depends upon the meaning given to the words "net assets" and the method adopted to ascertain the net assets. In Northern India, the net

assets are usually taken to mean the rent, whether real or hypothetical (by which latter term is meant that portion of the gross produce which would be taken by the landlord if the land were equally rented).[24]

The method of assessment followed in the United Provinces has been very well described by Sir Edward Blunt, who himself was a Settlement Officer. I take the liberty of quoting at length the following paragraph from his *Indian Civil Service.*

In the United Provinces, the first step is to assign to each soil a value, which is obtained by consideration of relevant data, for instance, the rents actually recorded as paid for each class of soil; crop-cutting experiments, which consist in measuring out exactly a given area, and ascertaining the yield of that area; a comparison of the value of the crops actually grown in each soil; and also general inquiries from the cultivators themselves. The second step is to arrange the villages in circles, which are homogeneous in respect of such characteristics as climate, communications and agricultural conditions. The recorded rent-rolls of the village in a circle are then examined, and all fraudulent, inadequate, excessive and other abnormal rents are excluded. The incidence of the remaining rents is then calculated for each class of soil, and a set of standard rates for each circle is worked out. These 'circle' rates are then compared for each village with the recorded rent-roll; in other words, the rent-roll as it is, is compared with

[24] Blunt, Op. cit., p. 134.

the rent-roll as it ought to be. If, after making allowance for any local peculiarities, the two approximate, then the recorded rent-roll will be accepted as the basis of assessment. If the two diverge greatly without any ascertainable justification then the assessment is based on the valuation at circle rates. To the rent-roll or rental valuation, is added a valuation at circle rates of unrented lands, which usually consist of the landlord's own holding, from which a deduction, usually 25 per cent, is made to allow for the landlord's cost of production. To the total of these two figures are added any other assessable items, in the nature of manorial dues, and the total forms the net assets of the village.[25]

After the Settlement operations are over the Settlement Officer writes out the Report. The Report is submitted to the Board of Revenue and the Legislative Council. The Legislative Council is given an opportunity to discuss it. Ordinarily, minor alterations are proposed which are usually adopted and the Report is accepted.[26]

Summary and Conclusions

Having reviewed the fundamental aspects of the revenue policy during the course of a century and a quarter, it may be desirable, to summarise the main tendencies indicated in the foregoing pages.

(i) There has been a progressive reduction in the

[25] Blunt, Op. ct., pp. 135-6.

[26] For the application of these principles see *Agra Settlement Report* by R. F. Mudie, I.C.S. (1930).

land revenue demand. The Saharanpur limit (1855) of 50 per cent of the net assets has uniformly been maintained. In fact, in some cases the limit has even been reduced to 40 per cent of the net assets.

(ii) The policy of long term Settlements has been adopted. The period of Settlement in the United Provinces has been extended from 30 to 40 years since 1929.

(iii) The principle of exempting or allowing reductions for agricultural improvements has universally been adopted.

(iv) Assessment made upon prospective assets has ceased.

(v) Large enhancement of revenue, to avoid hardships, are realized on a graduated basis over a number of years.

(vi) The policy of suspensions or remissions of revenue, to facilitate its adjustment to the variations of the seasons, has been resorted to.

It will appear that the policy of the Government during the later stages has been to prescribe moderation in revenue enhancements and greater elasticity in its collection. Historically, the revenue system of the Government owes its origin to the Moghul times. It was by slow degrees, and not without mistakes, that it could be given a reorientation agreeing with the changed economic conditions. Indeed, no tax in India is more difficult to work, without causing discontent and hardship, than land revenue. Lord Curzon has pointed out that logical completeness or simplicity cannot be expected in revenue systems born amid such surround-

ings, applied to such manifold conditions and to so heterogeneous a population. The principles of assessment must, therefore, depend upon considerations of practical expediency, rather than be regulated by fixed laws or shaped by arithmetical standards.

Assessments elude theoretical treatment. In no field of taxation is the personality of the tax officer more reflected than in land revenue. The true function of Government is to lay down broad and generous principles for the guidance of its officers, with becoming regard to the traditions of the province and the circumstances of the locality, and to prescribe moderation in enhancement and sympathy in collection. Above all it is its duty to exercise discrimination in the choice of the agents whom it employs for this most responsible of tasks. It is thus and thus alone that the principles of assessment which form the basis of land revenue can have a human touch in them. Let us hope that under Provincial Autonomy the incidence of land revenue and rentals will be lighter than at any previous stage of Indian history, and it will be realized with little hardship and discontent.

CHAPTER VI

OUDH LAND SETTLEMENT (1856-1868)

Introductory

We have now reviewed the main aspects of the land policy and revenue administration of the Agra province in the early years of the Company's rule. From the foregoing account several broad conclusions can be drawn. Firstly, the land policy, especially, with regard to the Permanent Settlement and principles of assessment, was mainly swayed by the desire of the Company to realize a large amount of stable revenue and to create a landed aristocracy which was of considerable help to the Company in the consolidation of its power and extension of its influence. Secondly, the revenue administration on account of lack of adequate information and knowledge on the part of the Company's servants, passed through several experimental stages including the revenue-farming system and an application of the Law of Sale for arrears of revenue. This profoundly affected the land system and land tenures of the province. Thirdly, as the several provinces came under British rule the principles of assessments were changed and the Settlement was made with the village communities.

The province of Oudh came under British control in 1856. It naturally escaped the experimental stages

in revenue Settlement which the Agra province went through. The difficulties of Oudh in land Settlement were of another kind. They arose on account of the Mutiny of 1857. Lord Dalhousie's aim was to settle the land revenue with the actual occupants of the land. His first summary Settlement was based on this plan. Meanwhile, the Mutiny rudely disturbed and indeed swept away the first summary Settlement of 1856. After the re-establishment of British authority in 1858, Lord Canning declared that the policy of the Government was to settle with the Talukdars. This changed policy gave rise to much difference of opinion. It restricted the future growth of the right of occupancy and adversely affected the economic position of the peasantry.

In this chapter Lord Dalhousie's Settlement (1856) will be described. This will be followed by an examination of the controversy which turned round Lord Canning's Proclamation. Finally, the terms of Oudh Compromise (1868) and their effects on the status of the peasantry will be examined.

Fifteen Months of Dalhousie's Settlement (1856-57)[1]

The modern history of the Talukdars begins with the annexation of Oudh, February 13, 1856. The well-known letter of instructions of Lord Dalhousie,

[1] The references to the Volume and the Paper are according to the *General Index of Parliamentary Papers* relating to the East Indies (1801-1907) published by the House of Commons (89: 1909). The Papers throughout this chapter are of House of Commons unless otherwise stated. The India Office Library, London, has been consulted for these Papers.

February 14, 1856, to Major-General Outram, the Resident at Lucknow, for his guidance in the administration of the province, gives an excellent account of the views of the Governor-General regarding the future Settlement of land revenue of the province. Whatever may be the defects of the political administration of Lord Dalhousie, a careful study of the letter shows that probably no Governor-General before him had such definite plans for the welfare of the peasantry as he had. Historians have not given him his due for this aspect of his administration. The following paragraphs show the vigorous spirit of the letter:

> *The settlement should be made village by village with the parties actually in possession,* but without any recognition either formal or indirect of their proprietary rights. The term of the Settlement should be fixed for three years certain from the May 1, 1856, and a stipulation should be added that it will remain in force and binding on those entering into engagements beyond that period, until another Settlement, whether summary or regular, shall be made It must be borne in mind, as a leading principle that the desire *and intention of Government is to deal with the actual occupants of the soil,* that is, with village zamindars or with the proprietary coparcenaries, which are believed to exist in Oudh and not to suffer the *interposition of middlemen as Talukdars, farmers of the revenue, and such like.* The claims of these, if they have any tenable claims, may be more conveniently considered at a farther period, or brought judicially before the Courts competent to investigate

and decide upon them.[2]

Nothing can show better than the above lines that the intention of Lord Dalhousie was to settle with the actual proprietors and not with the Talukdars. Unfortunately, the first summary Settlement, carried out according to his instructions, lasted only for 15 months, (1856-1857) and meanwhile the Mutiny broke out.

After the annexation of Oudh, February 13, 1856, the task of forming a summary Settlement for a period of three years with the parties in actual possession without any recognition of proprietary right was taken in hand. Only those Talukdars who could prove very old title, as village proprietors to the estates they held, were allowed to retain their tenure, and even then they were settled with, not under the superior title of Talukdars, but as owners by prescriptive right of the villages.[3]

Yet it would be a mistake to conclude that the Talukdars were entirely excluded, for as a result of the Settlement (1856), we find that out of 23,543 villages included in the Talukas, 13,640 paying a revenue of Rs. 35,06,519 were settled with the Talukdars, and 9,903 villages paying Rs. 32,08,319, were settled with persons other than the Talukdars.[4] Thus the Talukdars retained more than half the villages included in the Talukas.

[2] *Parliamentary Papers relating to Oudh,* Vol. 45, (1856), p. 260. The italics are mine.

[3] *Parliamentary Papers relating to Oudh,* (House of Lords) Vol. 6. Paper 62, par. 330 (1859).

[4] V. Irwin, H. C., I.C.S., *The Garden of India,* (1880), p. 180.

Lord Canning's Policy (1858)

The results of the first summary Settlement, which was still incomplete when the Mutiny broke out at Lucknow, May 30, 1857, were entirely undone by the Mutiny. In 1858, after the reoccupation of the province the plan for the future second summary Settlement was undertaken by Lord Canning.

Lord Canning fully realized that an early pacification of the province was not possible without the help of the great body of the Talukdars with strong forts and numerous retainers. Hence the second summary Settlement was based entirely on political considerations and the views of Lord Dalhousie were discarded.

Sir James Outram, the first Chief Commissioner of Oudh, in his memorandum to the Government of India, dated January 15, 1858, advocated support of the Talukdari system as the best method of quickly establishing British rule in Oudh. The following passages of the memorandum point out the future plan of Settlement:—

> The system of Settlement with so-called village proprietors will not answer at present, if ever in Oudh. These men have not influence and weight enough to aid us in restoring order. The lands of men who have taken an active part against us should be largely confiscated, in order, amongst other reasons, to reward others in the manner most acceptable to a native. But I see no prospect of returning tranquillity except by having recourse for the next few years to the old Talukdari system. *The Talukdars have both power and influence to exercise either for or against us. The*

village proprietors have neither.[5]

The basis of the present land revenue Settlement in Oudh is based on the Proclamation issued by Lord Canning on March 15, 1858. By the Proclamation the proprietary right in the soil, with the exception of six persons named in it, was confiscated to the British Government. But the Proclamation also stated that the Governor-General wished to give the most liberal interpretation to it.

The Chief Commissioner was instructed that the Proclamation left it free to him to notify to any Talukdar, who was deserving of consideration, that if he made submission and supported the Government, the confiscation of his lands would not take effect, and that his claims to property, of which he might have been deprived upon the annexation of the province, would be reconsidered; and that in case of these having been resumed by him, he might retain them till the rehearing.[6]

This sympathetic and statesmanlike policy of Lord Canning was censured in the strongest terms by the Conservative Government of Lord Derby.[7] In India, Sir John Strachey, the Chief Commissioner of Oudh, in moving the Oudh Estates Act (1869) said: "This Proclamation has altogether a strange history. When it was first issued there is not a doubt that it was intended as

[5] *Parliamentary Papers relating to Oudh*, Vol. 18. Paper 110, (1859), p. 4. The italics are mine.

[6] *Oudh Proclamation, Parliamentary Papers relating to Oudh.* Vol. 18, Paper 110, (1859), p. 7.

[7] See *East India (Oudh) Parliamentary Papers*, Vol. 110, Paper 62, 1859. Despatch No. 1954.

a measure of coercion and punishment, and especially as a measure of punishment, to the rebellious Talukdars. It would have seemed incredible in March 1858, that this Proclamation should come to be looked upon by the Talukdars as the *Magna Charta* on which chief rights depend. In truth, however, this Proclamation, although it was never carried into effect according to the intention with which it was issued, turned out to be something very different from a menace. It became the means of rewarding and benefiting the very men, the Talukdars, whom Lord Canning had originally desired to punish and of placing them in a far better position than that which they had under the Native Government."[8]

Lord Canning's dignified explanation of his policy in his letter No. 26½ of June 17, 1858, to the Secret Committee,[9] and No. 17A of July 4, 1858,[10] to the Court of Directors upheld his honour. The Governor-General boldly declared: "No taunts or sarcasms, come from whatever quarter they may, will turn me from the path which I believe to be my public duty.....I believe that the policy has been, from the beginning, merciful without weakness and indulgent without compromise of the dignity of the Government."[11]

[8] *Proceedings of the Legislative Council of the Governor-General of India*, 1867, p. 287. Speech of Sir John Strachey, July 17, 1867.

[9] *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18, Paper 110, 1859, pp. 1-9.

[10] *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18. Paper 110, 1859, pp. 12-13.

[11] *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18. Paper 110, 1859, p. 2, par. 5.

The policy, however, was formally approved and confirmed by Queen Victoria's Proclamation of November 10, 1858 in the following words:—

> Already in one province, with a view to stop the further effusion of blood and to hasten the pacification of our Indian dominions, our Viceroy and Governor-General has held out the expectation of pardon on certain terms, to the great majority of those who in the last unhappy disturbances, have been guilty of offences against our Government, and has declared the punishment which will be inflicted on those whose crimes place them beyond the reach of forgiveness. We approve and confirm the said act of our Viceroy and Governor-General.[12]

A careful study of the official correspondence of the period clearly shows that Lord Canning was fully justified in the policy which he followed. The pacification of the province soon after the heat of the Mutiny was the chief concern of the times and it could not have been accomplished without the co-operation, goodwill, and help of the influential body of the Talukdars. The Home Government's policy of coercion and chastisement would have been impolitic.

Second Summary Settlement, 1858

The actual task of the introduction of the Talukdari system of tenure was entrusted to Mr. (afterwards Sir Robert) Montgomery, the Chief Commissioner of Oudh. Sir Robert Montgomery in his valuable report

[12] *East India* (*Oudh Proclamation*) 1859, Vol. 18. Paper 110, p. 13.

on the administration of the province of Oudh (1859) observed:—

> Whatever be the abstract idea of justice, whatever the principle we might have wished to see carried out regarding the tenure of the soil, the fact remains important and incontrovertible, that the superiority and influence of these Taluqdars forms a necessary element in the social constitution of the province.
>
> The necessity of their existence once admitted, it behoves us to direct the influence of Taluqdars to the support of the Government, and not to render them discontented and hostile. Plain necessity points out this sequence of reassuring.[13]

The Chief Commissioner issued a circular letter (June 23, 1858) calling all the Talukdars to present themselves at Lucknow to receive the Talukdari grants. The extremely lenient way in which the circular letter was worded made some of the Talukdars suspicious of the intentions of the Government and some of them did not turn up. The majority of the Talukdars, however, did appear and the second summary Settlement was made for a period of 3 years from May 1, 1858, or until a detail Settlement could be carried out. The Settlement was, however, complete before the middle of 1859.

The result of the Settlement was that all the Talukdars who had held estates in 1856 under the first summary Settlement were reinstated.[14] The following

[13] *Parliamentary Papers* (House of Lords), Vol. 6. Paper 62, 1859.

[14] See Irwin, op. cit., p. 197.

statement furnished by Major L. Barrow, the Special Revenue Commissioner, shows the total distribution of the villages and the revenue among different persons[15]:—

		Villages	Revenue Demand
			Rs.
1.	Talukdari . .	23,157	65,64,959
2.	Zamindari . .	7,201	28,45,183
3.	Pattidari . .	4,539	18,19,214
	Total . .	34,897	1,12,29,356

Rights of Under-Proprietors

The new Settlement opened up a number of difficult questions, some of which are beyond the scope of this work. In Oudh, as in the Agra province, there were original proprietors who had lost their proprietary character before 1856 and their lands were merged into the Taluka. The question of *sub-settlement* with the exproprietors, defining the nature and extent of the protection to which they were entitled in subordination to the Talukdar, was settled after much controversy by the Oudh Compromise and the passing of the Oudh Sub-settlement Act[16] (XXVI) of 1866. The rights of the various classes of the under-proprietors will be described in Chapter X.

The most important question, however, which the

[15] "Zamindari" villages were those in which the proprietorship rested undivided in the hands of either a single individual or a coparcenary community. "Pattidari" villages were those in which the lands were divided. They may be either of the type of "Perfect" or "Imperfect" pattidari.

[16] See Chapter VIII.

Settlement Officers had to decide was the right of occupancy. Act X of 1859 had defined the right of occupancy for tenants of the province of Agra.[17] In Oudh, the existence, nature, and extent of the right of occupancy were decided by the inconclusive enquiry of tenant rights of 1864-65, and were settled to the detriment of the tenants by the Oudh Compromise and the Oudh Rent Act of 1868 (XIX of 1868). These two measures vastly reduced their rights and lowered their economic status. In order to understand the Oudh Rent Act and the subsequent tenancy legislation in the province, it is necessary to refer briefly to the controversy which turned round Lord Canning's Proclamation and finally led to the settlement of the terms of the Oudh Compromise.

Canning-Wingfield Controversy

Sir Robert Montgomery was succeeded in May 1859, by Mr. (afterwards Sir Charles) Wingfield. On June 4, 1859, in order to declare the second summary Settlement final, he made a representation to the Governor-General, regarding the grant of *Sanads* to the Talukdars. Sir Charles remarked[18]:—

> The Chief Commissioner feels no doubt of the complete success of the Talukdari Settlement. He has adopted measures to secure the village occupants from extortion, as directed in the Government letter of October 1858, but to establish the foundation of

[17] See Chapter VII.

[18] *Parliamentary Papers* (Oudh) 1861, p. 28, Vol. 46. Paper 426.

> lasting contentment and prosperity, there must not be afforded the least ground for any expectation of change.

He concluded the letter by asking permission to draw up a list of the Talukdars to whom the *Sanads* should be granted.

On July 15, 1859 Sir Charles Wingfield wrote another letter with further suggestions regarding the summary Settlement and the persons affected thereby.[19]

These two letters were both answered by the Governor-General in the well-known letter of October 10, 1859, which forms part of the first Schedule to the Oudh Estates Act of 1869.[20] The most important part of the letter is contained in Sections 2 and 3 where the Governor-General declared that every Talukdar, with whom a summary Settlement had been made since the re-occupation of the province, had thereby acquired a permanent, hereditary, and transferable proprietary right in the Taluka for which he had engaged, including the perpetual privilege of engaging with the Government for the revenue of the Taluka. This right, however, was subject to any measure which the Government thought proper to take for the purpose of protecting the inferior zamindars and village occupants from extortion and of upholding their rights in the soil in subordination to the Talukdars.

Finally, the Governor-General ordered that as

[19] *Parliamentary Papers* (Oudh) 1861, pp. 30-31. Vol. 46. Paper 426.

[20] *Parliamentary Papers* (Oudh) 1861, pp. 29-30, Vol. 46, Paper 426.

regards zamindars and others not being Talukdars, with whom a summary Settlement had been made, the orders conveyed in the limitation circular No. 31 of January 28, 1859 must be strictly observed. Opportunity must be allowed at the next Settlement to all disappointed claimants to bring forward their claims and all such claims must be heard and disposed of in the usual manner.[21]

Sir Charles Wingfield drew up a form of *Sanad*.[22] He was opposed to the idea of sub-settlement and wished to leave the under-proprietors and other holders of subordinate interests in the Talukas at the mercy of the Talukdars. In reply to Lord Canning's letter of October 10, 1859 (referred to above) he wrote:—

> To embody the substance of your third paragraph in more definite terms in the Sanad would, I am firmly persuaded, make matters worse than they were before. It would unsettle the minds of the inferior proprietors and encourage extravagant hopes of independence. It would alarm the Talukdars, and make them regard the gift of the proprietary rights as a mockery and a delusion. Moreover, it will place an engine in the hands of any future Chief Commissioner and Governor-General, adverse on principle to the Talukdars, which would enable them virtually to annul this Settlement and cut the Talukdars nearly as was done in 1856.

Regarding sub-settlement he observed:—

> I have always maintained that such a sub-settle-

[21] *Parliamentary Papers* (Oudh) 1861, pp. 29-30, Vol. 46. Paper 426.

[22] *Parliamentary Papers relating to Oudh,* pp. 31-32. Vol. 46, Paper 426, 1861.

ment practically differs nothing from excluding the Talukdars altogether, and engaging with the village proprietors as was done in 1856.[23]

Canning's views regarding Under-Proprietary Rights

To this the Governor-General replied in the letter of October 19, 1859.[24] This letter also forms part of and is given in full in the first Schedule to Act I of 1869. It approved generally of the form of Sanad prepared by the Chief Commissioner with the exception of the conditions for the protection of the subordinate rights in land. The letter is so important that it deserves full quotation:—

> When a regular Settlement of the province is made, wherever it is found that Zamindars or other persons have held interest in the soil intermediate between the ryot and the Talukdar, the amount or proportion payable by the intermediate holder to the Talukdar and the net *jama* finally payable by the Talukdar to the Government, will be fixed and recorded after careful and detailed survey and inquiry into each case, and will remain unchanged during the currency of the Settlement, the Talukdar being, of course, free to improve his income from the value of his property by the reclamation of waste land..... and by other measure of which he will receive the full benefit at the end of the Settlement.
>
> This being the position in which the Talukdars will be placed, they cannot, with any show of reason, complain if the *Government takes effectual steps to*

[23] *East India* (*Oudh Parliamentary Papers*), 1861, p. 31. Vol. 46. Paper 426.

[24] Ibid., pp. 32-33.

re-establish and maintain in subordination to them the former rights, as those existed in 1855, *of other persons whose connection with the soil is in many cases more intimate and more ancient than theirs;* and it is obvious that the only effectual protection which the government can extend to these inferior holders, is to define and record their rights and to limit the demand of the Talukdars as against such person during the currency of the Settlement to the amount fixed by the Government as the basis of its own revenue demand.

Whilst the Talukdari tenure, notwithstanding this drawback, is about to be recognized and re-established because it is consonant with the feelings and traditions of the whole people of Oudh, *the Zamindari tenure intermediate between the tenures of the Talukdar and the ryot is not a new creation,* and it is a tenure which in the opinion of the Governor-General, must be protected.

On October 26, 1859, Lord Canning held a Durbar at Lucknow and granted Sanads to the Taluqdars. These Sanads were granted in the spirit of the letter quoted above. They did not leave the under-proprietors and other holders of subordinate rights at the mercy of the Talukdars. The second summary Settlement was made final and perpetual with the grant of the Sanads.

Lord Halifax supports Canning

The British Parliament approved the action of the Viceroy regarding the preservation of the rights of the under-proprietors. In the despatch No. 33 of April 24, 1860, the Secretary of State, Sir Charles Wood

(Lord Halifax) supported the policy in the following words:—

> You were quite right in rejecting at once the proposition of the Chief Commissioner that all under-tenures should be abandoned to the mercy of the Talukdars; and I observe from your Lordship's more recent proceedings, that the engagements into which you have entered with the Talukdars provide for the protection of the under-proprietors, and that when a regular Settlement is made, in all cases where there is an intermediate interest in the soil between the Talukdar and the ryot, the amount of proportion payable by the intermediate or subordinate holder to the Talukdar will be fixed and recorded after careful and detailed survey. I consider that on a careful adherence to this rule must now mainly depend the maintenance of the rights of the village communities.[25]

The Controversy Ends, 1860

The manner in which subordinate rights in Talukas were to be determined was left to the Government. Here again difficulty was created. The Chief Commissioner, Sir Charles Wingfield, on November 24, 1859, issued a circular, declaring that the Proclamation confiscated all rights in every species of property, and those rights were conferred solely upon the persons upon whom the estates were conferred. This meant that though the Supreme Government wanted to preserve the subordinate rights in the Talukas, the Chief Commissioner by raising this technical difficulty intended

[25] *Parliamentary Papers relating to Oudh*, 1861, pp. 40-44, Vol. 46, Paper 426.

to annihilate them. The Government of India, therefore, ordered that all such subordinate holders, unless specially deserving of punishment for persistent rebellion, should be restored to the rights they possessed before the rebellion, whether the parent estate was ancestral, acquired, or conferred, and that every such holder should be maintained in his rights under the new grantee precisely, as if, having been confiscated, it had been settled with the hereditary Talukdar.

Further, the Government pointed out that it was a mistake to suppose that because an estate was then in the hands of the Talukdar, who had held under the British Government from the time of annexation to the time of the Mutiny, the decree of confiscation had not taken effect on it. The effect of the Proclamation on such an estate had been that it was then held under a direct title from the British Government, and that the relations which subsisted between its Talukdar and the holders under them were those which subsisted between them before annexation, modified or regulated by such regulations as the Government had imposed, not those which were re-established between them by the officers acting under the instructions issued at the time of annexation. Thus the order of the Government of India upheld the spirit of the Proclamation and conferred the rights upon the under-proprietors.

Limitation Period

Finally, the most serious question which raised a huge controversy was the period of Limitation within

which the subordinate and occupancy rights should be recognized. The Record of Rights' Circular laid down that persons who held subordinate rights in 1855, or just before the annexation of the province alone were entitled to be recognized as under-proprietors.[26] This Circular wrongly infringed the rights of the subordinate holders and was contrary to the wishes of the Secretary of State. Sir John Lawrence, in a letter of February 17, 1864, called for an explanation for fixing this date and added that the instructions of the Secretary of State had not been clearly comprehended. His Excellency quoted in the letter the despatch of the Secretary of State, Sir Charles Wood, (Lord Halifax), dated April 24, 1860, in which he suggested that "a period of 12 or even 20 years, before our rule, considering the state of misrule into which Oudh was plunged for some considerable period previous to annexation, would have been fair and reasonable."[27] The letter emphatically questioned the period thus:—

> The Governor-General-in-Council has no desire whatever to trench on the just rights of the Talukdars founded on the Sanads they received from the British Government, but on the other hand, he is opposed to any rules whereby the rights of the subordinate proprietors or tenants of the soil shall be destroyed or even damaged. With reference, therefore, to the sub-proprietary rights and the limitations of enquiry to those enjoyed in 1855, His Excellency-in-Council wishes to

[26] *Parliamentary Papers relating to Oudh*, 1865, pp. 35-38, Appendix 1.

[27] *Oudh Parliamentary Papers*, 1865, p. 98. Vol. 40. Paper 62.

know upon what lease and under what authority the limitation in question has been prescribed to the Settlement Officers.[28]

The Chief Commissioner could not give any satisfactory reply to this letter of Sir John Lawrence. In April 1864, Sir Charles Wingfield met Sir John Lawrence, and the Law Member of the Council, Mr. (afterwards Sir Henry) Maine at Cawnpore to decide the question of allowing the subordinate proprietors of land twelve years from the annexation of Oudh within which to prove their rights.[29] The Chief Commissioner, after consulting the Talukdars, on May 14, 1864 reported:—

> I gather from what they said, that though they would consider themselves justified in demanding that the present rule be maintained as resting on a declaration having the force of law, they would offer no objection to its realization so as to extend the term of limitation for the hearing of claims to subordinate rights to 12 years computed back from the summary Settlement in 1858-59, as is the rule in regard to claims of equal interest and subject always to the condition that full proprietary rights are not thereby revised. That is to say, that where villages have been annexed to the Taluka within 12 years the persons who were in full proprietary possession will not be entitled to recover the equivalent of their former rights, viz., a subsettlement at five per cent upon the Government demand, but only to the most favourable terms they enjoyed in any one year since the incorporation of

[28] *Oudh Parliamentary Papers*, 1865, p. 93. Vol. 40. Paper 62.
[29] *Oudh Parliamentary Papers*, 1865, p. 162. Vol. 40. Paper 62.

their lands within the Taluks.[30]

The Governor-General reviewed the whole position relating to under-proprietary rights in his letter of June 20, 1864. He proposed to abolish the office of the Settlement Commissioner and to re-appoint a Financial Commissioner to conduct the Settlement operations. Sir Henry Davies was appointed the Financial Commissioner. The Secretary of State, Sir Charles Wood approved the extension of "the time at which the existence of subordinate rights was to be ascertained."

Oudh Compromise, 1866

The situation reached a breaking point when the Chief Commissioner in May 1864, declined to carry out the views of Lord Lawrence in regard to the right of occupancy. Sir Charles Wingfield left the office and Sir John (then Mr.) Strachey succeeded to the Chief Commissionership. Sir John Strachey took up the difficult question and on June 9, 1866, asked the permission of the Governor-General to take up the two independent questions of sub-settlements and occupancy rights together in order that they might be settled in a satisfactory manner both to the Government and the Talukdars. Having obtained the permission, he drew up plans for the final settlement of both the questions in consulta-

[30] *Oudh Parliamentary Papers*, 1865, p. 166. Vol. 40. Paper 62. A slight change, however, was made in the year of limitation. On May 28, 1864, the Governor-General informed the Chief Commissioner that he considered, that the period of limitation should count from annexation and not from 1858-59, the date of the summary Settlement.

tion with the Financial Commissioner Sir Henry Davies, Colonel Barrow, Manu Singh and other influential Talukdars. The question was also discussed fully with Lord Lawrence at Simla. Sir John Strachey submitted, in a letter, dated August 20, 1866, subsequently published in the Gazette, the terms and conclusions arrived at Simla, generally known as the *Oudh Compromise.* The decisions consisted of two sets of rules—one relating to *Sub-settlements*[31] and a second relating to the *Right of Occupancy.*[32] It was made a condition precedent to the acceptance by the Talukdars of the terms of the Right of Occupancy, that the rule as to sub-settlement should be also, at the same time, accepted by the Government. On August 24, 1866,[33] the Governor-General-in-Council sanctioned the arrangements made by Sir John Strachey. The rules together with the correspondence regarding the subject were published in the Gazette of India, September 11, 1866.[34]

It was, however, felt that legislation was necessary to provide legal validity to some of the provisions of the "Compromise." It was with this end in view that Sir William Muir prepared a Bill to give the force of law to the provisions relating to the rights of the under-proprietors. The Bill received the assent of the Gov-

[31] *Supplement Gazette of India,* 1st April, 1866, pp. 391-92. Appendix A.

[32] *Supplement Gazette of India,* 1st Sept., 1866, pp. 393-94. Appendix B.

[33] *Supplement Gazette of India,* 1st Sept., 1866, pp. 394-96.

[34] The various under-proprietary rights are discussed in Chapter X.

ernor-General on October 12, 1866 and became the Oudh Sub-Settlement Act (XXVI) of 1866.[35]

The rules for determining the conditions under which persons possessing subordinate rights in the Talukas were entitled to obtain a Sub-Settlement, were made by the Chief Commissioner of Oudh, and sanctioned by the Governor-General-in-Council. They were published in the Gazette of India of September 1, 1866.[36] They were also re-published as a Schedule to the Act and were declared to have the force of law.[37]

Summary and Conclusions

The important features of the Oudh land Settlement may briefly be summarised thus:—

(1) After the annexation of Oudh, Lord Dalhousie wanted to settle with the actual proprietors, Talukdars and village communities. He did not want to create Talukdars, wherever such persons did not exist.

(2) After the Mutiny, Lord Canning, mainly on account of political considerations, subordinated the interests of other proprietary bodies and the Settlement was largely carried on with the Talukdars.

(3) He, however, preserved the rights of such bodies, though in subordination to the Talukdars, through the right of a *sub-settlement.*

(4) Lord Lawrence and Lord Halifax, in spite of the vehement opposition of Sir Charles Wingfield, fixed

[35] For Sub-Settlement, see Chapter IX.

[36] See *The Supplement Gazette of India,* September 1, 1866, pp. 386-391. (Rights of Occupancy in Oudh).

[37] The question of Occupancy Rights is discussed in Chapter VIII.

the period of limitation for the accrual of the right of occupancy twelve years before annexation (1856). This was beneficial to the cultivating classes.

(5) Under the terms of the "Compromise" the future accrual of occupancy rights in Oudh was put to an end. This is one of the most important points of distinction between the tenancy laws of the provinces of Agra and Oudh.

From the above study one conclusion stands out prominent. The early English administrators, (of whom Warren Hastings, Cornwallis and Lord Hastings may be taken as leading examples) partly on account of ignorance of the actual conditions, partly on account of political considerations, but largely in order to realize a stable revenue for the Company, settled the land revenue with farmers of revenue and other intermediaries. Hence the interests of the mass of peasantry were sacrificed and ignored for the interests of the few.[88]

But as British power was consolidated (and this reached its culminating point in the time of Lord Dalhousie) the spirit of land revenue policy was changed. We have already noticed that this changed policy, which laid more emphasis on the interests of the cultivating classes, breathes through the Minutes of Lord Dalhousie.

Lord Canning and Lord Lawrence clearly belong to the new class of administrators to whom the welfare

[88] See Chapters II, III, and IV.

of the peasantry was the most important concern. How far they were able to put their views in practice, was dependent upon the political conditions of the period. But for the occurrence of the Mutiny, the whole history of the land problems in Oudh would have been entirely different. The subsequent class struggle between the Talukdars and the peasantry is the outcome of the terms of the Compromise.

CHAPTER VII

TENANCY LEGISLATION IN AGRA PROVINCE

Introductory

In India, at most stages of its economic development, the Government has played an important role in the life of the country. It has endeavoured to control the working of the economic forces let loose on account of the transition of the country from a contract to competitive economy. This transition, accompanied by the growth of population, the extension of area under cultivation and the consequent rise in the value of land due to the progress of the society, gave rise to new problems with regard to tenant rights. But, until the middle of the nineteenth century, Government interference in land policy was mainly directed towards the realization of a stable revenue from land. The Government was not interested in maintaining right balance between the zamindars and tenants and seeing that the former performed their duties in lieu of the dues received by them. When, however, under the working of the economic forces, the landlords began to raise their rents and to eject the tenants, a new type of Governmental interference, unknown under Moghul rule, was felt necessary. The Government by legislative measures

attempted to prevent these evils by granting security of tenure, fair rents, and compensation for improvements to the cultivating classes. The Bengal Tenancy Act (X) of 1859 was the first legislative enactment in this direction. Later on, the Deccan Riots Commission and the Famine Commission of 1880 brought to light evils previously hidden. This necessitated further legislative interference to prevent exploitation and to check the evils of land alienation to non-cultivating classes.

In order to understand the rights and status of the tenants of this province, and the controversies involved in the policy pursued by the Government, it is necessary to describe briefly the history of tenancy legislation during the nineteenth century and to trace subsequent developments. It is thus only that we can point out how far the unsatisfactory features of the land policy have been due to the laws passed by the Government, or the way in which the provisions of the law have been misused, and how far they have been the inevitable outcome of the economic forces which were working in the country during all this period.

Act X of 1859 was the first serious legislative attempt to consolidate, amend, and improve the existing relations of the landlords and the tenants. It is necessary to analyse the provisions of this Act in some detail as all future tenancy legislation in this province was based on it. The Act was for many years the sole embodiment of the law of the landlord and the tenant for all the parts included in the Bengal Presidency.

Permanent Tenure-holders and Fixed-rate Tenants

The two most important issues which the Act clearly defined were those of the fixity of tenure, and fair rents, or in other words, the right of occupancy and the right of enhancement. Regarding the right of occupancy, the Act contained two sets of provisions: the first, applicable to the Permanently settled districts (e.g., the province of Benares); the second, applicable to both the Permanently and temporarily settled districts. There were in the province of Benares certain permanent tenure-holders or dependent Talukdars who at the time of the Permanent Settlement had held their tenures at a fixed rate and who were declared entitled to hold at such fixed rates. The Act declared that the rents of such dependent Talukdars or other persons possessing a permanent transferable interest in land between a proprietor of an estate and the ryot should not be liable to any enhancement.[1] Such tenants are found even today under Permanently settled areas and are called *Permanent Tenure-holders.*

It was not possible to provide for such tenure-holders without providing for certain other classes of tenants described as *Khudkasht, Kadimi* ryots i.e., resident and hereditary cultivators, having a prescriptive right of occupancy,[2] who were protected against enhancement of rent and whose position was like that of the dependent talukdar. Such tenants, the Act declared,

[1] Act X of 1859, S. 15, i.e., Permanent Tenure-holders.
[2] See Regulation XI of 1822, S. 32.

were also entitled to hold land at fixed rates and to receive *pattas* i.e., leases at those rates.[3] The Act also extended the privilege to others by declaring that the proof of holding land at fixed rate for a period of twenty years before the commencement of a suit should be *prima facie* evidence of occupancy at that rent since the Permanent Settlement. Such tenants are found under Permanently settled areas and are called *Fixed-rate Tenants.*

The second set of provisions related to tenants-at-will. The accrual of occupancy rights in their case was dependent on the continuous cultivation of land for a period of twelve years.[4] This rule was one of the most important provisions of the Act and governed the future relations of the landlords and tenants for more than sixty-five years in this province.

History of Occupancy Rights:

Some account of the history of the recognition of occupancy rights under the early British rule may not be uninteresting here. In the state of affairs which preceded the British rule, it was the custom that the immediate cultivator of the soil, duly paying his rent, should not be dispossessed of the land he occupied. Nothing was to be gained by ousting him; the reverse was always the case. Population was sparse, land was plentiful, and it was in the interest of the zamindar to promote the cultivation of land to increase his own share.

[3] Act X of 1859, S. 3, i.e., Fixed-rate tenants.
[4] Act X of 1859, S. 6.

One of the earliest attempts to give an account of the occupancy rights of the cultivating class is given by Sir John Shore in his celebrated Minute. Sir John classified ryots into two classes, viz., *Khudkasht* or those who cultivate the land where they reside and *Pahikasht* or those who cultivate the land of the village where they do not reside. *Pattas* to *Khudkasht* ryots were given without any limitation of period. They acquired a right of possession by long occupancy and were not to be removed so long as they paid the rent from year to year. The right of occupancy did not authorise them to sell or mortgage their holdings. *Pahikasht* ryots held their lands upon a more indefinite tenure. *Pattas* to them were generally granted with a limitation in point of time.

The rights of occupancy were recognized in the Permanent Settlement Regulations in which the whole body of the ryots was divided into two classes—*Khudkasht* and *Pahikasht* ryots, the former to occupy the land as long as they paid the stipulated rent.[5] Regulation I of 1793 which created the rights of the landlords contained the important proviso: "It being the duty of the ruling power to protect all classes of people, more particularly those who from their situation are most helpless, the Governor-General-in-Council will, when he may deem it proper, enact such Regulations as he may think necessary for the protection and welfare of the dependent Talukdars, ryots and other cultivators of the

[5] Regulation VIII of 1793, S. 52.

soil.[6] These provisions were extended to the Ceded and Conquered Districts in 1803 and 1805.

Mr. Thomason recognized the right of occupancy in his 'Directions'. "Cultivators at fixed rates" (he said) "have a right to hold certain fields and cannot be ejected from them so long as they pay those rates. They have no right of property in the fields, and are not able to alienate them without the consent of the proprietors: but their sons, or their immediate heirs, residing with them in the village, would succeed on the same terms as themselves: nor are they competent of themselves to perform any act which is considered to indicate proprietary right, such as the digging of a well, the planting of a garden, or the location of a labourer. Their simple right is to till their fields themselves or to provide for the tillage and for these fields they pay certain rates, and are in some cases liable to be called upon to perform certain services, or to pay certain fees to the proprietors. So long as these conditions are fulfilled they cannot be ejected from their fields; and if an attempt is made to eject them, they have the remedy by summary suit before the collectors. If they fail to pay the rent legally demandable, the proprietor must sue them and on obtaining a decree in his favour, and failing, after it, to collect his dues, he may apply to the collector to eject them and to give him possession of the land. It is impossible to lay down any fixed rule defining what classes of cultivators are to be considered entitled to hold at fixed rates.

[6] Regulation I of 1793, Article VIII, Clause 1.

They are known in the different parts of country by different names, as *Chupperbund, Khhodkhast, Kudeemee, Mauroosee, Huqdar,* etc., all of which terms imply attachment to the soil or prescriptive right. Those who have no such right are commonly called *Kutcha assamies* or *pykast*..... Those who have for a course of years occupied the same field at the same rate or equitable rates, are held to possess the right of continued occupancy, while those whose tenure is not similarly sanctioned are considered tenants-at-will."[9]

Thus it will be seen that the right of occupancy was asserted in a more or less complete form all over Northern India even before the passing of Act X of 1859. Act X was, however, the first legislative attempt to establish the principle that the undisturbed occupancy during a period of twelve years was sufficient for acquiring an immunity from arbitrary ejectment or enhancement of rent.

But the Act did not define a right of occupancy or provide for its inheritance or its transfer. The right of occupancy was compared with a *profit a prendre* and Justice Mahmud compared it with *emphyteusis.* As a general rule in the North-West Provinces a tenant's holding was not transferable without the zamindar's consent. The status of occupancy tenants was, therefore, variable and indefinite, and the courts charged with deciding such suits had to ascertain local custom in every case in which the tenants chose to plead it—customs

[9] *Directions for Settlement Officers,* Ss. 128-130.

which in India are far from being fixed or easily ascertainable.[10]

Defects of the Act

The Act had not long been in force before frequent complaints began to be heard relating to some of its provisions. It gave rise to a vast amount of litigation and, far from providing, as was intended by its framers, a *Magna Charta* for tenants, it was in fact a *Magna Charta* for landlords.[11] It was undoubtedly a landlord's Act. The Act, as interpreted by the Judges of the Calcutta High Court in the case of *Thakooranee Dossee*, known as the great Rent Case, entirely changed the relative position of the ryot and the zamindar, taking up from the latter to give to the former a part of proprietorship in the land itself. The result was that the tenure of land, the institution which of all human institutions most affects the character of man, was, in all its features, most essentially changed.[12]

To take the occupancy right provisions. It was remarked with regard to the Act that in recognizing the acquisition of a right of occupancy by the holding of land for twelve years, it undoubtedly went far beyond the custom and common law of these provinces: while in another direction it did not go far enough. It gave

[10] Per Mahmud, J., in Gopal Pandey *v.* Parsotam, 5 Allahabad Law Reports, p. 129.

[11] So described by C. Currie, I.C.S. See *Memorandum on Revision of Settlements*, page 112, by Sir A. Colvin, I.C.S., Secretariat Library, Allahabad.

[12] See *Calcutta Review*, 1865. *The Great Rent Case*, pp. 398-418. Imperial Library, Calcutta.

no more to men who had long held prescriptive rights, and who in many cases had a beneficial interest in the soil, than it did to the tenant-at-will, who had happened to retain the same field for a dozen of years; that is, it did not recognize the distinction between the rights possessed by tenants who had been the former proprietors of the land they cultivated and tenants who had acquired a right of occupancy by the mere lapse of time.[13]

The twelve years' rule for the accrual of occupancy rights was undoubtedly the most mischievous rule in the whole body of the Act. Occupancy rights in India, even in the most troublous times, had never their origin in a prescribed time limit. Every resident (*Khudkasht*) cultivator always acquired the right of occupancy by tilling the soil unless he abused the customary terms of tenancy prevalent in the village. Non-occupancy tenants were in most cases non-resident cultivators in the village. This artificial distinction between occupancy and non-occupancy tenants dependent upon the cultivation of land for a period of twelve years was a creation of the British Government.

The Act further made no mention and took no account of the various local tenures prevalent in the country. The holders of such interests, most of whom had paid large sums upon the creation of their tenures, were placed on the same level as the tenant who had

[13] Speech of Mr. J. F. Inglis, I.C.S., *Proceedings of the Legislative Council, Supplement Gazette of India*, December 6, 1873, p. 1332. (Imperial Library, Calcutta).

acquired occupancy right by the mere lapse of time. 'The Act so far from settling the rights of such tenure-holders grievously unsettled them.' (Field, *Landholding*, Sec. 424).

The next serious defect in the Act was in connection with the provision regarding enhancement of rent. The Act clearly laid down the grounds for the enhancement of rent rates *independently of any rise in the Government revenue* which alone tradition recognized as the ground for the enhancement of the rent rates. In a memorandum on the question of Settlement, Mr. C. Currie, Judicial Commissioner in Oudh, remarked that under the customary law in force, prior to the promulgation of Act X of 1859, the tenants with rights of occupancy were entitled to hold lands at fixed rates; fixed, if not, in perpetuity, at any rate, for the currency of the Settlement. Act X of 1859 changed all this; and caused a complete revolution in the Rent Law of the province.

There was a considerable rise in the rent rates on account of the severity of the early Settlements which had led to the setting up of new zamindars who were less scrupulous in respecting caste feeling; they also had little regard for the generally acknowledged plea that the cultivator's rent should not be raised unless the revenue demand had been increased. Mr. F. N. Wright, Settlement Officer, Cawnpore, 1878, remarked, "The result of the last Settlement was to dispossess large numbers of the old zamindars and to set up purchasers in their place. Such landlords, when they find them-

selves able to do so, would have less scruple in enhancing the rents of their cultivators."[14]

The Act declared that the ryots having the right of occupancy should be entitled to pay 'fair and equitable rates.'[15] In determining fair and equitable rates to be paid by the tenant the Court fell back on the simple procedure of reference to rates prevalent in adjacent lands,[16] which by no means were conclusive evidence for the enhancement of the rent. Before the passing of the Act rents were fixed under the Settlement Regulations by the Settlement Officers, and the occupancy tenants, as the term was then understood, were entitled to pay rents at those rates, if not in perpetuity, at least during, the currency of the Settlement. By the passing of the Act the powers of the Settlement Officers for fixing a fair rent were curtailed and rents could only be enhanced within the four corners of the Act. Thus at every revision of the Settlements, the Settlement Officers adopted as the basis of assessment *assumed rent rates* which, though not actually paid in every instance, were yet so generally paid that those paying lower rates might, upon revision of Settlement, be fairly called upon to pay them. The result was that the rent rates were enhanced in almost every revision of Settlement and in the majority of cases the tenants began to be rack-rented.

Finally, the Act did a great injustice to the culti-

[14] *Final Report on the Settlement of the Cawnpore District*, (1878), p. 61.

[15] Act XVIII of 1873, Ss. 7 and 20.

[16] Section 17, Clause I, Act X of 1859.

vators when it completely effaced their immemorial customary rights. Their rents were formerly governed by *pargana* i.e. customary circle rates, and custom played a very important part in the fixation of rent. In a Memorandum written in 1861, on the Oudh Land Controversy by Sir William Muir, then Foreign Secretary, much light is thrown on the stability and permanence of what were then called 'Customary rents' both in Oudh and in parts of North-Western Provinces. In some districts the customary rents were invariable. Certain castes, such as Brahmins, Thakurs and Kayasths, were privileged to hold at lower rates, and the resident cultivator had some advantages; but in other respects, the prevailing rates were seldom, if ever, departed from.

The position of non-occupancy tenants was even worse for their rents and tenure depended entirely upon the will of the landlords. The Act made no definite provision relating to their security of tenure and status.

Act XVIII of 1873. Enhancement of Rents

Hence, in 1872 a Bill was introduced in the Legislative Council, for the codification of Revenue Regulations, which became the Land Revenue Act XIX of 1873. While the first Bill was still in progress an amended Rent Bill, applicable to the North-Western Provinces, was introduced by Mr. J. F. Inglis on February 18, 1873, which became Act XVIII of 1873.

An attempt was made in these two Acts to grapple with the difficulty relating to the enhancement of rents. The powers of the Revenue Courts were increased and

appeals were to be made not to the Civil Courts but to the revenue authorities. Arrangements were also made for the fair and full valuation of rents by the Settlement Officers at the time of Settlements. Under Act X of 1859 no limit was fixed within which a second suit for enhancement might be brought, hence the tenants were harassed with suit after suit for the enhancement of rents and the value of their occupancy rights was considerably diminished. The Act prescribed a period of ten years for the enhancement of rents of occupancy tenants.

Ex-proprietary Tenants

Another very important portion of the Act related to the ex-proprietary tenants. The position of ex-proprietary tenants was recognized even before the passing of the Act X of 1859. Mr. Thomason's views, as early as 1843, were that if an estate was sold in lieu of an arrear of revenue due to Government, the proprietors only lost their proprietary character; and if they were also the cultivators of the soil, they were entitled to hold their *sir* or *Khudkasht* at fixed rates from the landlord.[17] Sir William Muir was also of opinion that the exproprietary tenants were entitled to protection from the constant and irritating attempts on the part of the landlords. He pointed out that the State had always held itself at liberty to restrain the zamindar for the benefit of the tenant. No absolute or exclusive right in the zamindar

[17] *Directions for Settlement Officers*, S. 132. See Section 28, Act XII of 1841.

has ever been admitted or declared. There is nothing in the previous position of the zamindar that would bar the Government from upholding the rights of any class of cultivators; and in recognizing the zamindar as proprietor, not merely as the passer-on of the rental, but as entitled to all the profit arising from the limitation of the Government demand, it has nowhere been conceded that he is in possession of any indefeasible power of enhancement. The proprietor cannot, therefore, complain if we limit his power of enhancement in respect of certain classes possessed of an anterior interest in the soil.[18] The rents of exproprietary tenants were to be four annas in the rupee less than the prevailing rate payable by tenants-at-will for land of similar quality and similar advantages.[19] The rents of exproprietary tenants could be enhanced during the currency of Settlement in the same way as the rent of occupancy tenants.

Compensation for Improvements

Act X of 1859 contained no provisions respecting the tenant's right to compensation for improvement. With regard to wells, the Courts laid down very strict rules against tenants. Thus a full Bench of N.-W. P. High Court in 1867 ruled that the digging of even a *kutcha* well by a tenant with the right of occupancy would be a breach of contract, giving the landlord a right of ejectment. This view was, however, considerably

[18] *Supplement Gazette of India,* February 1, 1873, p. 192, Imperial Library, Calcutta.

[19] Act XVIII of 1873, S. 7.

modified before the passing of Act XVIII of 1873. But it is scarcely too much to say that no tenant was likely to make any improvement in the land except in the shape of wells. The provisions, however, depended entirely on the voluntary action of the tenants, and it was found that owing to the ignorance of the tenants the sections were a mere nullity.

Act XII of 1881

In consequence of the recommendations of the Famine Commission another Bill was introduced into the Legislative Council by Mr. B. W. Colvin for the amendment of the Act XVIII of 1873 on March 12, 1880. The Bill was passed on March 11, 1880, and became Act XII of 1881.

The Act again endeavoured to remove the opposition of interests which had been created between the landlord and the tenant. The Act, however, maintained the 'twelve years' rule' for the accrual of the occupancy right which was mainly responsible for creating antagonism between the two classes. As early as 1882 the Board of Revenue noted the existence of this ill-feeling and remarked that 'the main, though by no means the only, reason of the antagonism between the two classes is what is known as the twelve years' rule.' The landlord seized the opportunity to rack-rent the tenants. The growth of occupancy right diminished the value of their property, and as this depended upon the continuous cultivation of the same land for a period of twelve years, they themselves steadily tried to prevent

its accrual.

The amount of ruinous litigation that was carried on to check the accrual of such rights can very well be seen from the increase in the number of notices for ejectment of tenants-at-will year after year.

Year	Number of Notices	Increase
1891-92	57,875 to 64,353	6,478
1892-93	64,353 to 65,665	1,313
1893-94	65,665 to 72,105	6,440

The large increase in the number of notices is a clear indication of the fact that the area held by occupancy tenants must have steadily declined. The Government also instituted an inquiry which revealed that in 1882-83 the area held by occupancy tenants was 63.92 and in 1897-98 the area under occupancy tenants had fallen to 58.38. This investigation proved that there was a steady deterioration in the position of occupancy tenants and that this retrogression was due to the unsatisfactory tenancy law in the province. This practice of ejectment was fatal to agricultural progress and to the true interests of landlord, the tenant and the Government. It was wholly incompatible with the existence of a contented, solvent and industrious peasantry. The Hon'ble the President of the North-Western Provinces Council in his speech on the N.-W. P. Tenancy Bill (1900) forcefully remarked thus: 'I assert unhesitatingly that a rent law which permits of the arbitrary ejectment of industrious tenants who have cultivated land for generations,

who have punctually paid their rents, and whose only fault in the landlord's eyes, is that they are about to acquire the status which the law intended they should in the circumstances acquire—I say a rent system which permits of such results stands self-condemned.[20] It led to a high degree of antagonism between the landlord and the tenant and produced hardships of an intolerable kind. The Act of 1887 was also full of badly expressed sections and was liable to misinterpretation. In the well-known commentary on the Act by Mr. H. F. House, it is referred to as 'one of the most slovenly and slipshod enactments on the Indian Statute-Book' and in this connection the commentator further remarked that the consequence was that it was the rule rather than the exception for the rulings in two cases on the same point to be at variance.[21]

Act II of 1901

The Government accordingly decided to introduce another Bill to improve the position of the tenants, and to harmonise the relations between the landlord and the tenant. The Bill met spirited opposition from the landholders of the province especially concerning two cardinal points in the Bill, viz., the acquisition of occupancy rights and the ejectment of non-occupancy tenants. The Government view, however, prevailed, and in spite of the opposition of the landlords, the Bill

[20] *Proceedings of Legislative Council, the North-Western Provinces,* Speech of the Hon'ble the President on Tenancy Bill, November 15, 1900. U. P. Legislative Council Library, Lucknow.

[21] *N.-W.P. Rent Act* by H. F. House, I.C.S., pp. 67-68.

received the assent of Sir Antony Macdonnell and became N.-W. P. Tenancy Act II of 1901.

The Act recognised the following five classes of tenants:—

(i) Permanent tenure-holders.
(ii) Fixed-rate tenants.
(iii) Ex-proprietary tenants.
(iv) Occupancy tenants.
(v) Non-occupancy tenants.

We have already discussed the first three classes of tenants elsewhere. No important change was made in the status and law relating to these classes. But important changes were made with regard to occupancy tenants. A tenant who had held the same land continuously for a period of twelve years acquired the right of occupancy. 'Same land' was defined to mean 'any land owned by the same landlord.' In order to prevent landlords from resisting the accrual of the occupancy right, the Act of 1901 declared that the growth of the occupancy right was not to be defeated merely by the landlords changing the fields of the holding, or ejecting the tenant and immediately after readmitting him to the possession. A tenant who had been allowed to hold the same land for twelve years undisturbed acquired the right of occupancy although the land so cultivated may have been different at different times.

Attempts were also made in the Act to induce the landlords to give to their tenants some fixity of tenure by granting long-term leases. Under the provisions of Section 8 of the Act of 1881 a lease was a document

which prevented the growth of occupancy right during the currency of its term. A short-term lease barring the growth of occupancy right was injurious to the prosperity of the agricultural community as it prevented fixity of tenure even to a small extent. The Act of 1901 laid down that 'no tenant shall acquire a right of occupancy in any land which he holds as a lessee, under a registered lease, for a term of not less than seven years.' In other words, the intention of the legislation was that if a lease for a term of less than seven years be given the term would count towards the growth of occupancy rights. This plan led to three desirable ends:—

(i) the removal of the impediment to the fixity of tenure which short-term leases imposed;

(ii) the encouragement of seven years' leases; and

(iii) the removal of the necessity which a landlord felt for ejecting a tenant to prevent the accrual of the occupancy right.

The other change of importance related to the ejectment of non-occupancy tenants. If a landlord wanted to eject a non-occupancy tenant no check other than the conditions of the lease or an order of the court was placed upon him in the exercise of this power. If, however, the dispute between the landlord and the tenant arose because the tenant refused to pay a higher rent and a notice of ejectment was issued, the Act provided that the court would give the tenant the option

of accepting a 'fair' rent or vacating his holding. If the tenant agreed to pay the higher rent fixed by the court, he would be entitled to remain in his holding for seven years and the period would not count towards the accrual of occupancy right.

It is obvious that the intention of the Act was to facilitate fixity of tenure and fair rents. The Act was framed in imitation of the Bengal Tenancy Law, the acknowledged success of which was beyond doubt, and under which about 90 per cent of the cultivators acquired the occupancy right. In spite of the spirited opposition and the so-called changes introduced in the law, the means adopted were really in the nature of a compromise. No serious attempt was made to introduce radical changes in the existing system of land tenure. The non-occupancy tenants were given the semblance of fixity of tenure by making the legal procedure of ejectment more difficult and expensive; by providing that the nominal ejectment and shifting of cultivators from plot to plot would be no bar to the accrual of occupancy rights provided the cultivator was in possession of land for twelve years under the same zamindar and lastly, by introducing that leases for seven years or more would bar the growth of occupancy rights.

Defects of the Act

Doubts, however, were expressed from the very beginning regarding the wholesome effects of these provisions, and time has proved those doubts. It is true that the area recorded as held under occupancy rights or for

more than twelve years had increased between the year 1903-04 and 1921-22 from 1,27,09,000 to 1,43,66,000 acres or by 13 per cent. But of this increase the conditions were peculiar and the competition was for tenants rather than for land. Further, though occupancy rights had no doubt often been conferred in return for a lump payment or agreement to pay an enhanced rent, the growth in area had also been due in part to fraud, mistake and accident. Moreover, such increase as had taken place had been attained after immense and growing litigation.[22] The average number of ejectments before the Act II of 1901 passed was 57,000, while the number of ejectments in the year ending 1922-23 averaged 1,27,000 and in the year 1922-23 was 15,700. The landlords did not acquire the habit of granting long term leases and the area under seven years' leases never reached one million acres in the whole province, and such leases were confined to Gorakhpur, Basti, and Meerut Division. The periodic tenancy depending on the consent of the landlord was also a fruitful cause of tenancy exploitation and of the levy of illegal exactions in various guises. The law regarding the enhancement of rent, though subjected to legal control, was commonly evaded as the demand for land was keen. No doubt the law provided that their rents could be enhanced by:—

(i) Comparing the rent paid by occupancy tenants for land of similar quality and

[22] Vide Speech of Hon'ble Sir Samuel O'Donnell, I.C.S. United Provinces Legislative Council, March 21, 1926.

with similar advantages; and

(ii) proving that there has been a rise in the average level of prices.

But these provisions threw an apple of discord between the landlord and tenant and were responsible for ruinous litigation. Judging the Act, whether from the point of view of landlords or tenants, it satisfied none and often strained and embittered their relations. The system inevitably involved friction and did not satisfy even one of the essential conditions for a good system of tenure in the case of non-occupancy tenants, e.g., fixity of tenure and fair rents.

The verdict on the Act, on which high hopes were built by Sir (afterwards Lord) Antony MacDonnell's Government is recorded in the Government Resolution, dated April 28, 1924, announcing the appointment of a Select Committee to examine the defects in the Act of 1901, the object of which was to secure for the tenants in the province of Agra, to a large extent than the law previously in force had allowed, fixity of tenure and fair rents. The Resolution further added that the Act had failed to produce a lasting solution of the agrarian problem inasmuch as it had not succeeded in securing reasonable fixity of tenure and freedom from excessive enhancement of rent for a large portion of the tenantry. In introducing the Bill of the Act of 1901, Mr. Evans, the Government Member in charge concluded his observations with the following remarks:

"In asking permission to place the Bill before the Council I should express a hope that to this Council

> will fall the honour of passing a measure that may be found hereafter to have solved for these provinces the difficult problems on the one hand of protecting the tenants from arbitrary treatment, and of giving security of tenure and some guarantee against unfairness of rent; and on the other of removing causes that have led to hostility between landlords and tenants in the past, of proving to the landlord that the prosperity of his tenant is not only not inconsistent with his own interests but is the surest guarantee of his advancement."

If Mr. Evans were to read the judgment of the Government (1924) on the Act, as recorded in the Resolution, on which Sir Antony MacDonnell had built such high hopes, Mr. Evans would undoubtedly be disappointed.

These defects were recognised as early as 1916-18 and a Bill was published in 1918 containing some far-reaching changes in many respects. The time, it was thought, was rather inopportune and the Bill was dropped for the time being. But the consensus of opinion was that the Act required a radical change in order to satisfy new ideas and new aspirations even amongst the backward agricultural classes after the stress of War (1914) and the epoch-making changes in the political world which followed it. It was decided in 1923 to appoint a Select Committee with instructions to examine the Act II of 1901, to suggest change and to submit a Draft Bill. The Draft Bill, as submitted by the Select Committee, was presented to the Legislative Council on July 1, 1926, and after heated discussions

and strong opposition on the part of the landlords the Bill was passed by 40 votes against 28, on July 31, 1926.

Act III of 1926

The Agra Tenancy Act of 1926 abrogated the old time-limit of twelve years for the accrual of occupancy rights. Occupancy rights under the Act could not be acquired by the mere lapse of time. All existing rights were scrupulously retained, and occupancy rights could be acquired by grant or sale as frequently as they were in the past. Thus the twelve years' rule, that fruitful source of litigation, first started in 1859 after causing much havoc in agricultural community, was abrogated. For more than sixty-five years the rule was in force and it is difficult to imagine the amount of ruinous and harassing litigation, intolerable hardships, and bloody reprisals to which it led. If one were to calculate the number of ejectment notices issued under this rule from 1859 till the passing of the Act (1926), the number would reach an astounding figure. Again, if one were to estimate the amount of time and money spent over such litigation, the result would be an eye-opener to the land-holding classes who appealed to the Government in the name of law, order, and loyalty.

The Act, in order to increase fixity of tenure, granted the right of life-tenancy to every tenant-in-chief other than a tenant-in-*Sir*, with the right to the heir to hold on for another five years after the latter's death. This was a wholesome provision as it vastly increased

the fixity of tenure which was wanting under the Act of 1901. The Act introduced the system of roster year for the revision of rents. A *roster year* is defined in the Act as an agricultural year fixed by the Local Government in respect of any district or other local area for the determination of fair and equitable rates for the purpose of suits for enhancement and abatement of rents of fixed-rate tenants, exproprietary tenants, occupancy tenants, statutory tenants and heirs of statutory tenants. The other changes introduced in the Act may briefly be summed up as follows:—

(i) Enlargement of the *Sir* area with an elastic provision for its further increase in future;

(ii) Zamindar's power of compulsory acquisition of land from ex-proprietary, occupancy, statutory tenants and heirs of statutory tenants for the purpose of farming on improved lines and for certain other purposes mentioned in the Act;

(iii) Introduction of cheaper and simpler methods for the realization of rent; and

(iv) Right of landlord to make improvements, affecting the holding of a tenant not having a right of occupancy with or without his consent; and on the holding of a tenant having a right of occupancy with the written consent of the tenant.

Conclusions

From the foregoing account three conclusions stand out prominently. Firstly, the necessity for tenancy legislation was felt on account of the economic transition through which the country was passing during the middle of the nineteenth century. This transition brought about "a peculiar interdependence between India and the West, whereby India tended to produce and export in the main, raw materials, and foodstuffs."[23] Secondly, the increase in population during the period resulted in increasing the pressure of population on land. These two facts fundamentally changed the character of the rural economy of the eighteenth century when there was a demand for tenants rather than land. Perhaps, it may be more reasonable to say that the fundamental tendencies in land problems, under the stress of purely economic forces, during the period, would have been the same even if we had an 'Indian rule'. The critics of the Government land policy have sometimes ignored these facts and have often asserted that the policy pursued by the Government was essentially responsible for the creation of new land problems in the country.

At the same time it must be admitted that the policy pursued by the Government invariably aimed at maintaining a balance between the conflicting interests of the landlords and the tenants. Unfortunately, the political influence wielded by the landlords and the

[23] Anstey, op. cit. p. 5.

Taluqdars and the lack of an organization on behalf of the peasantry turned the balance in favour of the landlords. This perhaps is an accurate explanation of the causes of the suffering of the peasantry during all this period.

Secondly, the success of tenancy legislation will depend to a large extent on an organization amongst the tenants. As long as no peasant body exists which has power to speak and advocate the cause of the peasantry, tenancy legislation cannot successfully check economic exploitation. The existence of an organized Peasant Committee is necessary to carry into effect the terms of tenancy agreements, conciliation and arbitration. Such bodies, till recently, did not exist in the country. Hence the abuse of tenancy law, e.g., illegal exactions, was partly due to this factor.

Finally, it must be pointed out that the glaring fault of the early British land policy is its disregard of the immemorial customary rights in land systems. The aim of subsequent tenancy legislation throughout India has been to rehabilitate such rights.

CHAPTER VIII

TENANCY LEGISLATION IN OUDH

Land policy in India throughout the nineteenth century was greatly influenced by political events. But, perhaps, in no part of India, such events had a more pronounced effect on economic status of the peasantry than in Oudh. In an earlier Chapter (VI) we have pointed out the effects of the Indian Mutiny on the rights of the under-proprietors. The terms of the 'Oudh Compromise' (1866) affected two classes of persons: under-proprietors and tenants. The Talukdars had agreed to the right of sub-settlement to the under-proprietors on the definite condition that in future occupancy rights in Oudh would not accrue. The Oudh Rent Act (XIX) of 1868 was passed in the light of the terms of the 'Compromise'. In order to understand the rights of the tenants in Oudh, it is necessary to state the controversy which centred round the right of occupancy and was finally settled by the terms of the Oudh Compromise. In this Chapter the views of Lord Elgin and Sir John Lawrence on occupancy rights will be pointed out. The main provisions of the Oudh Rent Acts of 1868 and 1886 will also be stated. This will be followed by an examination of the working of the Acts. Finally, the main changes brought about by the Oudh

Rent (Amendment) Act of 1921 will be pointed out.

Campbell on Occupancy Rights

While the question of subordinate rights in the Talukas was being discussed,[1] Sir George Campbell, the Judicial Commissioner of Oudh, made the following observations regarding the rights of occupancy tenants for the guidance of the Settlement Officers:—

I am pretty sure that no officers are likely to find that any rents of cultivators were fixed, in the sense of being absolutely and permanently fixed at a definite sum of money, for ever. Nothing was so fixed either in Oudh, or, I believe, in any other part of India. But it appears to be generally understood that though there were in Oudh no cultivators at actual fixed rates, there certainly were cultivators possessing a right of occupancy and liable to regulated rates, by which rights they were distinguished from tenants-at-will.[2]

The Chief Commissioner, Sir Charles Wingfield, who, as we have seen,[3] wanted to obliterate all the customary rights of under-proprietors and cultivators, did not like to record the occupancy rights of the cultivator in the Record of Rights, which were being prepared by the Settlement Officers. In the rules for the Record of Rights issued for the guidance of the Settlement Officers, the Chief Commissioner observed that he had determined to make no distinction in the re-

[1] See Chapter VI.

[2] *Parliamentary Papers relating to Oudh*, 1865. Vol. 40. Paper 62, pp. 56-7, *Covering letter* (No. 340), April 28, 1862.

[3] See Chapter VI.

cords between cultivators at fixed rates,[4] and cultivators-at-will.

Elgin's views on occupancy rights

This caused anxiety to the other officers (Sir Charles Campbell and others). Sir Charles Wingfield's attitude towards occupancy rights and his reply[5] to Sir Charles Campbell's letter (quoted above), attracted the attention of Lord Elgin, who on May 18, 1863, addressed a letter to the Chief Commissioner in the following words:—

His Excellency is of the opinion that the attempt to define accurately in the Settlement Records the extent and limits of the rights of occupancy is no doubt attended with much difficulty. But it is admitted that *such rights exist, and that the tenants who enjoy them differ from tenants-at-will.* You are, therefore, requested to state whether the omission of all reference to their rights in the Settlement Records, coupled with the judicial powers conferred on the Talukdars, will not have a tendency to obliterate them altogether, and thus to prejudice unjustly the status of the holders, and whether it would not be possible so to record them as to keep them alive, leaving it to the courts to determine the precise nature of these rights, if disputes should arise on this head.[6]

[4] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62, (1865), p. 38. Record of Rights.

[5] Ibid., p. 58.

[6] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62. (1865), p. 60.

To this letter of Lord Elgin, the Chief Commissioner never replied.[7] Meanwhile, the subject had attracted the attention of Lord Halifax, the then Secretary of State for India, who in his Despatch No. 12 of June 9, 1863, called for an early report on the matter.[8]

Lord Elgin, however, could not fulfil his desire of protecting the interests of the cultivating classes and died on November 20, 1863. Sir John Lawrence became the Viceroy in January, 1864. He was equally interested in the welfare of the peasantry and was not prepared to sacrifice their interests. His attitude from the beginning was firm.

The Government of India letter (No. 65), dated August 17, 1861, stated 'that the rights of under-proprietors should be clearly defined and jealously protected'. Further, the Viceroy did not approve of the instructions of the Chief Commissioner addressed to the Settlement Officers 'that no hereditary tenant rights, whatever, are to be recognized'. 'These instructions', His Excellency remarked, 'seem at variance with those of the Secretary of State, and contrary to sound policy.'[9]

Wingfield opposed Elgin's views

The Chief Commissioner, Sir Charles Wingfield, on March 26, 1864, submitted a statement regarding his views on the right of occupancy. He now took the

[7] *Parliamentary Papers relating to Oudh,* Vol. 40, Paper 62, (1865), p. 147.
[8] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62, (1865), p. 60.
[9] Ibid., p. 100.

extreme view and declared 'that no right of occupancy or custom which has acquired the force of a right can be proved on the part of non-proprietary cultivators' and hence in Oudh 'there are no rights of occupancy.'[10]

This reply was followed by the meeting in April, 1864 at Cawnpore between Sir John Lawrence, Sir Henry Maine and Charles Wingfield. On May 16, 1864, Sir Charles Wingfield, after consulting the Talukdars on the subject, in the form of a memorandum, reported that the Talukdars were opposed to the right of occupancy and the limitation of rental demand during the currency of a Settlement in the case of non-proprietary cultivators because 'such rights had never been known in Oudh and their creation would strip them of the character of landlord and leave them a mere rent charge on their estates.'[11]

Sir John Lawrence on Occupancy Rights

To this memorandum of the Chief Commissioner, Sir John Lawrence, on May 28, 1864, wrote a forceful reply. On the question of tenant right His Excellency remarked: "If this were a mere question in which the interests of a few individuals were concerned, I might hesitate in maintaining my own views. But it is really a question in which are involved the interests of a great body of men, many of whom, I have no doubt, are the descendants of the old proprietary com-

[10] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62, (1865), pp. 106-116. They contain the 'Minute on Tenant Right of Occupancy' by Charles Currie, I.C.S.

[11] Ibid., pp. 166-67.

munities of the province of Oudh, *whose rights are now enjoyed by the Talukdars of the present day.*[12] When these Talukdars talk of their rights, they should not forget that the security of their rights is mainly derived from the British rule; and that under Native rule they were always liable to lose their possessions. The value which British rule has given to their lands is enormous and much beyond what they can now appreciate..... I do not myself consider that the admission of the ancient tenants of land, the old hereditary cultivators, and the broken down ill-treated descendants of the former proprietors to the right of occupancy, and to fair and equitable rates, will infringe in the least degree the pledge of Lord Canning. I feel sure myself that while he was desirous to maintain the 'just rights' of the Talukdar, he had no intention to transfer to them the rights of others, with the single reservation that the Talukdar, however he may have acquired the land, should continue the head proprietor.

'I do not desire to create rights in the land in Oudh; all I require is that the rights which flow from long possession, by general consent among the people, shall be recognized and recorded. Such rights, any just Native rule would admit; such rights our laws in India have distinctly laid down. I do not desire to see 'Regulation (Act X) of 1859', extended to Oudh for the present. I should prefer to see some of its provi-

[12] Italics are mine.

sions modified. But if the Talukdars will not consent to a compromise, there will be nothing for me but to do this. The Government is limiting its demand to half the rent; practically as you know well it will never reach that proportion; where the Talukdar is gaining so much, he can surely afford to give a little to others, or rather I should say, to forego somewhat of his claims."[13]

Perhaps a more sympathetic letter upholding the cause of the peasantry from the pen of a Viceroy can hardly be found in the revenue literature of India. But even this reply of His Excellency had no effect on Sir Charles Wingfield. On June 6, 1864, he wrote proposing either to resign his appointment or that a Financial Commissioner might be appointed to deal with the matter.[14]

Record of Occupancy Rights

On June 20, 1864, Sir John Lawrence, recorded a Minute in which he proposed to abolish the Office of the Settlement Commissioner and appointed a Financial Commissioner to deal with the problem of occupancy right.[15] Meanwhile, on September 27, 1864, the Governor-General informed the Chief Commissioner that he wanted to institute an inquiry into the rights and claims of the cultivator.[16] The Financial

[13] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62, pp. 167-8 (1865).
[14] Ibid., p. 170.
[15] Ibid., pp. 158-165.
[16] Ibid., p. 184.

Commissioner, Mr. R. H. Davies was asked 'to lose no time in revising the Revenue Circulars so as to bring them into accordance with the foregoing orders.'[17] On October 24, 1864, the Financial Commissioner issued a Circular letter to the Settlement Officers asking them to record the right of cultivators other than tenants-at-will.[18] An investigation on the lines of the Circular was commenced by the Settlement Officers. As a result of the inquiry it was found that by the custom and usage of the country tenants were not ejected as long as they paid rents at the prevailing rate, which, however, were customary and were not infrequently increased. The Financial Commissioner in his Report of June 19, 1865, on the subject stated that he was decidedly of the opinion that, apart from political engagements, Act X of 1859, is as much adapted to the circumstances now existing in Oudh as it is to the North-Western Provinces. Its introduction would merely transmute customs into rights.

Oudh Rent Act (1868)

Meanwhile, the terms of the Oudh Compromise were settled. As a result the Oudh Rent Act (XIX) of 1868 was passed. The most important part of the 'Compromise' is contained in Section 5 of the Act. The Act conferred the right of occupancy on every tenant, who, within thirty years next before February 13, 1856,

[17] *Parliamentary Papers relating to Oudh.* Vol. 40. Paper 62 (1865), pp. 244-5.

[18] *Parliamentary Papers relating to Oudh.* Vol. 13. Paper 290, (1866), pp. 27-38. See also Irwin, op. cit., pp. 252 and on.

was in *possession as proprietor* of some portion of land in a village. Such a tenant was given a heritable but not a transferable right of occupancy from August 24, 1866. All other cultivators had to establish their occupancy rights in a court of law.

Such is briefly the history of the origin of occupancy rights in Oudh. The tenantry, which formed the bulwark of the Government in the dark days of the Mutiny, and had received glorious promises in the State Papers and the Proclamation, was deprived of the right of occupancy to please the Talukdars of Oudh. *No occupancy rights were recognized in the case of ordinary tenants.* Exproprietors had to establish their claim for the right of occupancy and only a very small percentage could establish it. The Compromise was the most fatal blow to Oudh tenantry. It has no parallel in India. Even the twelve years' rule of the Agra province for the future growth of occupancy rights was denied to the Oudh tenantry. The vast mass of the tenantry had to depend upon short-term leases granted by the Talukdars.

Views of the Famine Commission (1880) on the Oudh Rent Act (1868)

The Act was not long in force before it was felt that it did not afford sufficient protection to the cultivators. The Indian Famine Commission had noticed serious defects in the working of the Act. The Commission observed:—

(i) The laws gave scope for the exercise of anta-

gonistic feelings between the landlord and tenants in suits for enhancement of rent.

(ii) A common form of oppression on the part of the landlords was to break up the holdings of the tenants with a view to destroying the accrual of occupancy rights by rendering the fields less distinct. This practice was common in Agra province.

(iii) Through the practice of sub-letting the occupancy tenant was turned into a middleman, and lived on the difference between the rack-rent and the privileged rate secured under the provisions of the law.

(iv) The condition of the tenant-at-will, which formed an increasing class, was one of serious apprehension. They were kept in a situation of absolute dependence on the landlord. The tenants had no desire to improve the land, or to raise their own position, or to lay by any thing from the profits of agriculture.[19]

Condition of Tenantry in Oudh (1883)

As a result of the Report of the Famine Commission, the Local Government instituted an inquiry into the relation between the Talukdars and the tenants. The result of the inquiry covers a vast field and its valuable Report is issued in two volumes.[20] Of the total cultivated area in Oudh, as the result of the inquiry, it was found that about 7½ per cent was cultivated by proprietors, 4½ per cent by sub-proprietors or by tenants

[19] *Report of the Indian Famine Commission.* (1880). Part II. Chap. II. Sec. 1.

[20] *The Condition of Tenantry in Oudh,* (Government Press, Allahabad), Vol. I and Vol. II, (1883).

having occupancy rights and about 88 per cent by tenants-at-will.[21] In Agra province at that time only 38 per cent of the cultivated area was occupied by tenants-at-will.

On the working of the Rent Act (XIX of 1868) I shall give only a few opinions of experienced officers.

Major Erskine, Commissioner on special duty remarked: "Almost the whole body of Oudh tenants, under the present rent law, have no protection whatever against eviction or enhancement."[22]

Mr. H. B. Harrington, I.C.S., Officiating Commissioner, Rai Bareilly in his letter of June 20, 1881 said: "Nothing can be more miserable than the condition of the cottier tenant of Oudh. His condition has been made more miserable by our own mistakes."[23]

Mr. J. W. Quinton, I.C.S., Commissioner, Lucknow Division in his letter (No. 527), dated February 27, 1882, observed: "The conclusions to be derived from the reports are that in Unao and Lucknow there are strong reasons for holding that rents are being unfairly raised, and that the condition of the tenants-at-will is consequently little removed from destitution."[24]

Increase of Rents

Many more instances could be given from the reports of responsible officers. They all point out that rack-renting was freely practised and ejectment was common.

[21] *The Condition of Tenantry in Oudh,* Vol. II, p. 240.
[22] Ibid., p. 240.
[23] Ibid., p. 24.
[24] Vide '*The Condition of Tenantry in Oudh,*' (1883), p. 275.

The extent of the rise of rents of tenants-at-will in each district since the Settlements of 1848 till 1882 is shown in the following table[25]:—

Lucknow	27.1 per cent.	Fyzabad	21.3 per cent.
Unao	23.3 „ „	Bahraich	41.2 „ „
Bara Banki	19.2 „ „	Gonda	13.9 „ „
Sitapur	37.3 „ „	Rai Bareilly	25.5 „ „
Hardoi	29.7 „ „	Sultanpur	26.8 „ „
Kheri	29.2 „ „	Partabgarh	49.4 „ „
Oudh	24.5 „ „		

In brief, the Oudh Rent Act (1868) had the following important defects:—

(i) There was no security of tenure in the case of tenants-at-will. They held on annual leases.

(ii) In the absence of security of tenure, rack-renting was common.

(iii) The tenants could not make improvements in their lands.

Oudh Rent Act XXII, 1886

The second Oudh Rent Act was drafted to remove these defects. The main provisions of the Bill were:—

(i) To give all tenants a statutory right of occupation for seven years.

(ii) On the expiry of the statutory period the rent could only be enhanced at the rate of one anna in the rupee (6¼ per cent.).

(iii) To check the ousting of the tenant it was pro-

[25] *The Condition of Tenantry in Oudh*, Vol. II, p. 74.

vided that a new occupant shall not be required to pay more than one anna in the rupee over the rent paid by the last tenant (6¼ per cent.).

(iv) The tenant was also protected by a provision that if he was ejected, the landlord should pay him a year's rent as a compensation for disturbance.

(v) As regards improvements it was provided that the tenant should not be ejected until he had obtained compensation for the improvements effected. But he was not allowed to make improvements without the consent of the landlord—a right of appeal, however, was allowed to the Deputy Commissioner in case the landlord refused his consent.

The Talukdars vehemently opposed the provisions for compensation for ejectment on the ground that it was unjust that they should be required to pay compensation for ejecting a tenant. A compromise, however, was arrived at by requiring the Talukdars to pay a stamp duty of half year's rent, subject to a maximum of Rs. 25 in the event of ejectment. For the rest, the Bill was passed by the Imperial Legislative Council in the main form in which it was drafted and became Act XXII of 1886.

The Act remained in operation from 1886 to 1921. It is essential to examine the working of the Act during this period of thirty-seven years to see how the Act achieved the objects which its framers had in view.

The Practice of Nazrana

The most important provision of the Act was that

while it checked the power of the Talukdars to enhance rents it did not provide a better security of tenure to the statutory tenants. The result of this was that the practice of exacting *nazrana* was started to defeat the provisions of the Act. The Act had provided protection to the statutory tenants by giving them a lease for a period of seven years after the expiry of which their rents could not be enhanced by more than an anna in the rupee. Under the provisions of ejectment the new cultivators could not also be made to pay more than 6¼ per cent over the rent of the ejected tenant.

These provisions were good enough but they provided a loop-hole. After the expiry of the statutory period of seven years before a fresh lease could be granted the tenant was required to pay a heavy nazrana for his fresh entry. If the sitting tenant refused to pay he was ejected and the land was given to another tenant who was prepared to pay the nazrana. Thus the nazrana represents nothing but the concealment of rentals. His Excellency, Sir Harcourt Butler, the most popular Governor among the Talukdars during recent times, in a Minute, dated July 6, 1921, remarked that 'substantial nazrana or premia, have been taken at the end of seven years from the old or new tenants to get possession of the land. The nazrana amounted in some cases to two or three hundred rupees.'

Oudh Rent (Amendment) Act, 1921

The harmonious relations between the Talukdars and tenants gradually disappeared and the conditions

became well-nigh intolerable. The crisis, however, was reached early in January, 1921, when agrarian rioting broke out in Southern Oudh.[26] The revision of the Act became inevitable and urgent. The Government in the same year introduced into the Legislative Council the Oudh Rent (Amendment) Bill to remove some of the important defects of the Act. The Bill was piloted by Sir Ludovic Porter. It was passed by the Council after a heated discussion and received the assent of the Governor of the United Provinces on November 28, 1921. The main changes introduced by the Act may briefly be summed up as follows:—

(i) The Statutory period of tenancy was raised from seven to ten years.

(ii) Instead of having a Statutory lease for seven years at the expiry of which the tenant was liable to arbitrary ejectment, every resident tenant in Oudh under the Act, was given a tenure for life, subject to a revision of his rent after the expiry of every Statutory period of ten years, either by written agreement between him and the Talukdar or as determined by the Court in accordance with the sanctioned rates fixed by a Settlement Officer or by a Special Officer.

(iii) A Roster year system was introduced for the determination and sanction of fair and equitable rent rates for each district by special officers every tenth year.

(iv) The rule contained in the Oudh Rent Act of

[26] See Chapter XI.

1886, limiting the rental demand to a six and a quarter per cent i.e., one anna in the rupee was repealed. The restriction placed on the landlord not to demand from a new occupier a rent more than one anna in the rupee over the rent paid by the ejected tenant was also removed.

(v) A Statutory tenant may, without reference to the landlord, construct a well for the irrigation of his holding. A tenant, holding on special terms, may make any improvement on his holding except planting of trees.

(vi) The right of an heir of a resident Statutory tenant was placed on a more definite basis. He was allowed to occupy the holding for a period of five years, but without statutory privileges. The heir of a non-resident tenant was allowed to retain the holding of the deceased for the unexpired portion of the statutory period.

(vii) A distinction was drawn between a resident and non-resident tenant. The landlord was empowered to let the holding of a non-resident tenant to one who ordinarily resided in the village.

(viii) Sub-letting was discouraged. A Statutory tenant as well as an heir of a deceased Statutory tenant was prohibited, except with the written consent of the landlord, from sub-letting any part of his holding for a period exceeding two years, or within two years any part of his holding already sub-let to a sub-tenant.

(ix) A check was put on the payment of nazrana by providing that such payments paid on admission to

a holding shall be regarded as illegal and the tenant shall be entitled to compensation.

(x) The proprietors' rights in *Sir* lands had been considerably increased. In addition to the existing *Sir* lands at the time of the passing of the Act, all land, which was in cultivation of the proprietors or under-proprietors at the commencement of the Amendment Act (1921), and which was recorded as the *Khudkasht* in the preceding year, was declared to be *Sir*. In future all *Khudkasht* of the proprietor or under-proprietor cultivated for an uninterrupted period of ten years shall become *Sir* land.

(xi) Lastly, the Talukdars were given extensive powers for the acquisition of holdings from their tenants for the purpose of their own cultivation and for agricultural development.

It will appear from the above changes in the amended Act, that the Act was in the nature of a compromise. In the Statement of Objects and Reasons annexed to the Bill, the intention of the Government "was to improve the relation between landlord and tenant in Oudh, and especially to give the latter greater security of tenure and a fair rent." The Act was passed with the consent of the Talukdars. But the millions of the poor peasantry were never consulted. The Hon'ble Sir Ludovic Porter in introducing the Bill remarked: "As regards our not consulting tenants, it is obvious that they have no recognized body to represent them."[27]

[27] *The Proceedings of the United Provinces Legislative Council*, August 4, 1921. Speech of Sir Ludovic Porter.

Thus the Act, though it somewhat improved the position of the peasantry, could not be of a lasting nature. An examination of the working of the Act is reserved for the next Chapter.

CHAPTER IX

TENANCY LEGISLATION IN UNITED PROVINCES

Introductory

The greatest social and economic question of the day in India is the peasant problem. Throughout the nineteenth century and even today, in land settlements, the interests of the landlords predominated and little attention was paid to the welfare of the peasantry. No doubt any legislation in connection with agrarian matters, intimately affecting the interests of so many different classes, is necessarily difficult and contentious; but the strongly organized body of the landlords and Talukdars made it exceedingly difficult for the Government to pass any legislation to which their free consent could not be obtained. With the establishment of British rule the landlord's position became very strong as it had never been before. The result has been that tenancy legislation has always aimed at a compromise in which the tenants have been the greatest sufferers. The Agra Tenancy Act (1926) and the Oudh Rent (Amendment) Act (1921) were half-way measures and in their working several important defects were noticed. It became evident that unless some of their provisions were radically changed, the condition of the peasantry would

become worse with the passage of time. The Congress Government, soon after it came in power (1937), set up an expert committee to make changes in the Tenancy Acts of the province. The United Provinces Tenancy Bill was introduced in the Legislative Assembly on April 20, 1938 and, after very heated debates, was passed by both the Houses of Legislature on October 4, 1939. It received the assent of the Governor on December 6, 1939 and became the United Provinces Tenancy Act (XVII) of 1939.

The United Provinces Tenancy Act (1939) has repealed the Agra Tenancy Act (1926) and the Oudh Rent Act (1921). Thus it applies equally to the zamindars of Agra and the Talukdars of Oudh. The Act has removed the long standing anomaly of two tenancy legislations in two parts of the same province which historically, culturally, and economically are not different. In this chapter, the defects of the Agra Tenancy Act (1926) and the Oudh Rent Act (1921) will be pointed out. Secondly, a description of the fundamental features of the present Act will be given. Finally, an account of the post-War land reforms in Eastern Europe will be described and its lessons for India pointed out.

Statutory Tenants

Previous to the passing of the Agra Tenancy Act (1926) the right of occupancy could only be acquired by continuously cultivating the same land for a period of twelve years. In Oudh the right of occupancy

under the terms of the Oudh Compromise (1865) could never be acquired by a mere lapse of time.[1] The twelve years' rule of the Agra province had its origin in the Act X of 1859.[2] It undoubtedly was the most mischievous rule in the whole body of the Act. The backbone of the peasantry was completely broken under the working of this rule. It caused a revolution in the Indian land system by completely removing the immemorial customary rights of the tenants from which alone occupancy right could arise. Efficient agriculture was an impossibility when the fear of ejectment was hanging over their necks like the sword of Democles.

The scheme of statutory tenancy was first introduced in the Oudh Rent (Amendment) Act (1921) and was afterwards extended to the Agra province by the Agra Tenancy Act of 1926. In Oudh the statutory tenants had a life-tenancy subject to a revision of their rents after the expiry of every statutory period of ten years. In Agra most of the non-occupancy tenants were given life-tenancy. The heirs of the statutory tenants had the right to hold the land for a period of five years after the death of the statutory tenant.

The creation of statutory tenants giving them a life-tenancy was an important step forward in the history of tenancy legislation in these provinces. It gave the cultivators a greater security of tenure during their lifetime. It put an end to seven or ten years' lease system for cultivators which was a common feature

[1] See Chapter VIII.
[2] See Chapter VII.

of non-occupancy tenancy in these provinces before it.

Defects of Statutory Tenancy

But statutory tenancy was open to one serious limitation. Life-tenancy is incompatible with any permanent advance in the methods of agricultural progress. The policy of 'after me the deluge' is fatal to the progress of an individual as well as to society. Human nature cannot accept a great sacrifice for a mere temporary gain. The possession of land for a single life is not sufficient in India, where people have more regard for their sons and grandsons than for themselves, to induce them to invest any considerable amount of capital and labour in the improvement of land. Hence any system of tenancy reform which tends to threaten the source of livelihood of the family on the death of its head cannot but be regarded with extreme disfavour.

The result was that while the tenant was protected during the currency of his tenancy his heir was not protected at its termination. When a tenancy was terminated by the death of the tenant the landlord was at liberty to dispose of the holding on whatever terms he liked. Once then in every generation the whole of the land in the province, held by statutory tenants, was let under conditions of unrestricted competition. Taking the average duration of a life-tenancy at 20 years, one-twentieth of the land of the province, on an average, was at the disposal of the landlords each year. The pressure of population on land is already excessive-

ly heavy in the villages. A system of tenancy terminable with the lifetime of the tenant led to a rush for a holding whenever one fell vacant.

Classes of Tenants under the Act (1939)

Hence, the United Provinces Tenancy Act (1939) has replaced Statutory Tenants and the Heirs of Statutory Tenants by Hereditary Tenants. The following classes of tenants are recognized in the Act:—

(1) Permanent tenure-holders.
(2) Fixed-rate tenants.
(3) Tenants holding on special terms in Oudh.
(4) Exproprietary tenants.
(5) Occupancy tenants.
(6) Hereditary tenants.
(7) Non-occupancy tenants.

We have already discussed (1), (2), (4), (5), and (7) classes of tenants in earlier chapters.

Every tenant in Oudh holding land under a special agreement or a judicial decision made or passed before the passing of the Oudh Rent Act (1886) is called a tenant holding on special terms. Such tenants have all the rights and are subject to all the liabilities conferred and imposed on occupancy tenants in Oudh under the United Provinces Tenancy Act (1939). These tenants are peculiar to Oudh and, as their name indicates, their rights and liabilities are not uniform. It may be pointed out that under Section 101 the appropriate rent-rate for this class of tenants is that applicable to exproprietary tenants, that is, two annas less in the rupee than that of

an occupancy tenant in Oudh.[3]

Hereditary tenants form the new class of tenants created by the Act. They form the most important class and occupy the largest percentage of area in the province. In Agra the statutory tenants and the heirs of statutory tenants, who cultivated merely 25 per cent (i.e., 73,48,172 acres) of the total cultivated area in the province under the Act of 1926, have acquired hereditary rights. Some non-occupancy tenants have also acquired this right. Similarly, in Oudh the statutory tenants and the heirs of statutory tenants who cultivated nearly 70 per cent of the total cultivated area in the province (i.e., 69,56,422 acres) under the Act of 1921, have become hereditary tenants. Briefly, the hereditary tenants include the following classes of tenants[4]:—

(1) Statutory tenants, including *pahi-kasht* tenants, who were liable to ejectment under Section 62-A (Clause e), of Oudh Rent Act, (1921).

(2) The heirs of statutory tenants.

(3) Tenants in Oudh who could not acquire the rights of statutory tenancy under the provision of Section 67(*b*) of the Oudh Rent Act, (1921).

[3] It may be pointed out here that the occupancy tenants in Oudh differ from the occupancy tenants in Agra. In Chapter VIII we have already pointed out that occupancy tenants in Oudh are ex-proprietors who had lost their proprietary character within 30 years before Feb. 13, 1856. The rights and liabilities of these tenants were settled by the terms of the 'Oudh Compromise' (1865). In Agra the occupancy right had its origin under the twelve years' rule of Act X of 1856.

[4] The area held by occupancy tenants in Oudh is 1,15,068 acres, that is, just a little over 1 per cent of the total cultivated area in Oudh.

(4) Tenants in Oudh holding land specified in Schedule D to the Oudh Rent Act (1886) unless such land is exempted in Section 30.

(5) Tenants in Agra who held land from permanent tenure-holders before the passing of the Agra Tenancy Act (1926) and were tenants at the time of the passing of the Act (1939).

(6) Tenants of tea estates, which had been notified under Act II of 1926, but which have not been notified under Section 30, (Sub-section 5), of the Act (1939).

As a result of the creation of this new class of tenants, the statutory tenants and heirs of statutory tenants in Agra and Oudh have become hereditary tenants. Their holdings are heritable and their tenancy rights do not terminate with the death of the tenant. They cannot be ejected by the landlords. Their rents can only be increased under the provisions of Section 110 which provides rules for the framing of standard rates for hereditary tenants.[5]

It is a cardinal principle of agricultural economics that the most essential needs of a tenancy are: fixity of tenure and fair rents. The creation of hereditary tenancy has satisfied these two essential conditions and has placed before the tenants rights and independence which they never enjoyed before. It is unfortunate that in early years of British rule, partly on account of ignorance and partly on account of political troubles, new rights in property were instituted. It is, however,

[5] These provisions are discussed in pp. 179-83.

important to point out that the rights of proprietors of land cannot be the same as those of the owner of a chattel or a commodity. They are always subject to the implied obligations of securing the cultivation of land for the support of the nation and of granting enough security to the cultivators to maintain them on the soil. The fact is that State control, both of the activities of the landlord and the peasants, for the benefit of the nation, is necessary. When population was sparse a village code of local customs and traditions had developed and afforded a safeguard to the peasants. But they do not afford enough protection now. Hence, legislative protection and State control are the only methods of safeguarding the general public interest. Let us hope that the hereditary tenants who form the bulk of the tenants in the province will place agriculture on a sounder, healthier, and more remunerative basis.

Sir Lands

The Agra Tenancy Act and the Oudh Rent Act provided for a considerable increase in the *sir* area of the zamindar or the Talukdar. In Agra a graduated scale was introduced according to which a landlord could acquire sir up to a certain percentage of his proprietary interest in the *mahal*. Landlords or permanent tenure-holders, having not more than 30 acres of land, could acquire sir to the extent of 50 per cent of their area; but if the area exceeded 30 acres and was less than 600 acres, not more than 15 per cent of the area could be acquired as sir land. In Oudh there was no such

graduated scale and the sir area could not exceed one-tenth of the total cultivated area of the village.

The increase in sir area must inevitably mean that a number of families will cease to be statutory tenants, and will either be dispossessed or reduced to the position of non-occupancy tenants. There was nothing in the Act to prevent the landlord from taking into his possession much of the *gauhan* (lands near the village) in the village which generally does not amount to more than 10 or 15 per cent of the total cultivated area. Similarly, he could gradually take into possession much of the irrigated portion of the village. The result was that while the Acts granted rights to tenants, they provided means for those rights to be taken away.

Further, the Acts imposed no restrictions on the sub-letting of sir. And as no occupancy or statutory right could accrue in sir, the tenant cultivating the sir of the zamindar remained a non-occupancy cultivator. Sub-letting is no less vicious in the case of a landlord than in the case of a tenant. A landlord may reasonably be given all the land which he requires for his own cultivation, but he should not be allowed to retain land as sir simply with the object of sub-letting it at a rack-rent. The tendency throughout the province is for the landlords to cultivate their *Khudkasht* (lands cultivated with their own labour and capital) and sub-let their sir. The increase in Khudkasht and sir is shown in the following table[6]:—

[6] Compiled from the *Annual Reports of the Board of Revenue*, United Provinces.

Agra			Oudh		
Year	*Khudkasht* (acres)	*Sir* (acres)	Year	*Khudkasht* (acres)	*Sir* (acres)
			1921-22	..	4,22,673
			1922-23	3,09,722	4,29,562
			1923-24	3,27,218	4,69,128
			1924-25	3,32,144	5,05,253
			1925-26	3,49,022	5,33,825
1926-27	2,93,248	33,55,688	1926-27	3,54,864	5,38,959
1927-28	3,94,247	33,52,294	1927-28	3,63,249	5,52,314
1928-29	4,75,032	33,96,739	1928-29	3,67,418	5,53,205
1929-30	5,96,642	34,87,061	1929-30	3,75,172	5,84,868
1930-31	6,99,381	34,62,391	1930-31	3,88,636	5,97,334
1931-32	8,44,405	35,05,318	1931-32	4,05,845	6,10,778
1932-33	9,09,264	34,71,679	1932-33	4,11,871	6,07,612
1933-34	9,60,606	34,37,416	1933-34	4,06,963	6,06,114
1934-35	10,11,299	34,01,815	1934-35	4,06,956	6,15,876
1935-36	10,77,843	33,76,625	1935-36	4,08,900	6,13,458
1936-37	11,63,189	33,73,515	1936-37	4,26,370	6,11,597
1937-38	12,225,559	33,63,725	1937-38	3,43,747	6,17,059
1938-39	12,96,535	33,76,400	1938-39	3,67,278	6,34,483

Sir Provisions under the Act (1939)

An attempt has been made in the present Act to remove these defects. The basic principles underlying the Act are that (i) the area of sir should be reduced to a minimum; and (ii) sub-letting of sir should not be permitted. With this end in view the landlords of the province have been divided into two classes: (i) those assessed to a land revenue of Rs. 250 or less per annum (to be called hereafter the smaller landlords); and (ii) those who pay more than Rs. 250 annually as land revenue (to be called the larger landlords).

The reason for this differentiation in the sir right between the smaller and larger landlords is based on economic grounds. In the case of the smaller landlords the income which they derive from cultivation represents a far larger share in their total income than is the case with the larger landlords. In some cases, it is practically their only source of income. The case of the larger landlords is different. Their income from cultivation forms a comparatively small proportion of their total income and their economic position is based on their proprietary rights rather than on the rights to cultivate sir. The Act (1939) has made the following important changes in the rules regarding sir lands:—

(1) Sir acquired by larger landlords under the Agra Tenancy Act (1926) has ceased to be sir. This is a very important provision. It has rectified the fundamental defect of the sir provisions of the previous Acts under which the landlords acquired a larger area, not for the purpose of self-cultivation but for sub-letting.

(2) Sir of the smaller landlords acquired *before* or *after* the Agra Tenancy Act, (1926) or the Oudh Rent Act, (1921) shall continue to be sir under this Act. The object of this differentiation is that the smaller landlords need sir for purposes of genuine cultivation and not for sub-letting.

(3) Sir of the larger landlords acquired *before* the Agra Tenancy Act (1926) and the Oudh Rent Act (1921) which is not sub-let, whatever its area, continues to be sir under the present Act (1939).

(4) But if the total area of the sir (under clause

3 above) both cultivated by the landlord and sub-let, exceeds 50 acres, and the area which is sub-let does not exceed 50 acres, the whole of the self-cultivated sir, together with so much of the sir let out as would make 50 acres, would be sir under the Act.

(5) If the total sir area (under clause 3 above) both let and un-let is less than 50 acres, the whole of it shall be sir under the Act.

(6) There should be no further accrual of sir either in the case of larger or smaller landlords.

(7) Tenants who were cultivating sir lands under the previous Acts, but which has ceased to be sir under the Act (1939), shall acquire the right of hereditary tenants in such lands.

(8) If a landlord has Khudkasht land in addition to sir, the Khudkasht can be converted into sir area, provided hereditary rights are conferred upon tenants for an equal area of sir, who would otherwise be deprived of such rights under the 50 acres rule (clause 4 above).

The effects of the above provisions relating to the sir lands may briefly be summarised thus:—

(1) The sub-letting of sir has been put to an end. The tenant of sir was often rack-rented and had always a precarious existence. The conferment of hereditary rights over such lands has increased security of tenure and stabilised rents.

(2) The future accrual of sir has been stopped. This would mean an increase in the area cultivated by hereditary tenants.

(3) The distinction between the smaller and

larger landlords has strengthened the economic position of the former who are genuine agriculturists in a large number of cases.

(4) The restrictions imposed on the sub-letting and future accrual of sir rights would ultimately encourage landlords to take to agriculture. This would improve their economic position and stimulate agricultural improvements. Perhaps one of the most important reasons for the present backward condition of agriculture in India is that the landlords have not taken to agriculture as a profession. The application of larger resources and intelligence by landlords to agriculture would place it on a business footing. In the long run, the yield from agriculture would increase and it would not be a 'depressed industry'.

Determination and Modification of Rents

The Act has laid down definite and important rules for the determination of rents for hereditary and occupancy tenants. The rules for the remission of rents and revenue have also been given a statutory form in the sixth Schedule to the Act. The more important provisions regarding the determination and modification of rents will be described here.

When a tenant is admitted to the occupation of land, the initial rent may be agreed upon between him and his landlord. Rent once agreed upon, shall not be enhanced or abated unless:—

(1) A period of ten years, or such longer period as may have been decreed or ordered, has elapsed.

(2) The period of the Settlement of the local area in which the holding is situated has come to an end.

(3) The area of the tenant's holding has been increased by alluvion or decreased by diluvion.

(4) The productive powers of the land held by the tenant have been increased by fluvial action, or by an improvement effected by the landlord; or decreased by causes beyond control.

The Act further contemplates the fixation of standard rates to which all rents must, ultimately conform. The basis of such rates for hereditary and occupancy tenants are laid down in Section 110. The rent-rate officer in determining such rates shall take into consideration:—

(1) The level of rents paid by tenants who held or were admitted to land at different times, and in particular the level of rents agreed to by tenants who were admitted to holdings in or between the years 1309 and 1313 *Fasli.*

(2) The prices of agricultural produce prevailing at such times.

(3) Changes in the crops grown and in the amount of the produce.

(4) The value of the produce with a view to seeing that the valuation of the holdings of hereditary tenants at the proposed rates does not exceed one-fifth of such value.

(5) The expenses of cultivation, and the cost to the cultivator of maintaining himself and his family.

In Agra, the rates for occupancy tenants would be

framed on the basis of the rents actually paid. In Oudh the rates for occupancy tenants shall be two annas in the rupee less than the corresponding rates for hereditary tenants.

These standard rates shall be taken into consideration when the question of abatement, enhancement, or commutation of rent arises. The rent of tenants (with the exception of the permanent tenure-holders and fixed-rate tenants) is liable to abatement on one or more of the following grounds:—

(1) That the rent payable by the tenant is substantially greater than the rent calculated at the sanctioned rates appropriate to him.

(2) That the productive powers of the land have been decreased by an improvement made by the landlord or by any cause beyond the tenant's control during the currency of the present rent.

(3) That the area of his holding has been decreased by diluvion or by an encroachment or by the taking up of land for a public purpose.

(4) That the rent is liable to abatement on some ground specified in a lease, agreement, or decree which he holds.

The rent is, likewise, liable to enhancement on any of the following grounds:—

(1) That the rent payable by the tenant is substantially less than the rent calculated at the sanctioned rates appropriate to him.

(2) That the productive powers of the land held

by the tenant have been increased by fluvial action.

(3) That the productive powers of the land held by the tenant have been increased by an improvement by or at the expense of the landlord.

(4) That the area of the tenant's holding has been increased by alluvion.

Finally, the Act has made provisions for the remission or suspensions of rent and revenue during times of agricultural calamity. The following scale of remission has been provided for in the Act:—

Loss measured in annas per rupee of normal produce	*Relief in rent per rupee*
Amounting to 8 annas but not amounting to 10 annas	6 annas
Amounting to 10 annas but not amounting to 12 annas	10 annas
Amounting to and exceeding 12 annas	16 annas

In conclusion, it may be said that the present provisions regarding the determination, modification, remission, and suspension of rents and revenue are of a far-reaching character. The standard rates shall, to a large extent, put an end to the problems of rack-renting and excessive enhancement at frequent intervals. The dependence of the rent of hereditary tenants on the expenses of cultivation and the cost of the cultivator in maintaining himself and his family shall lighten the pressure of the rentals. The provision that the rent should not exceed one-fifth of the value of the produce

shall co-relate rents with cost of production. No doubt, it would often be difficult to translate these provisions into practice with mathematical precision, nevertheless, a generous Settlement Officer shall make liberal allowances for such rules. Finally, before the passing of the Act, the rules regarding the remission and suspension of rents and revenue were entirely dependent on executive action, which often led to controversy and acute differences of opinion.

In Chapter XI we shall examine in detail the controversy which raged round the tremendous fall in prices and the remission and suspension in rents and revenue granted by the Government during 1929-35. Here it may be remarked that the liberal provisions regarding suspension and remission in revenue shall, in future, be quickly put into practice and prices, rents and revenue would be regulated without much difference of opinion and difficulty.

Miscellaneous Provisions

Finally, we may briefly refer to some other important provisions of the Act which cannot be described in detail. Regarding payment and recovery of rent, the Act has provided that in future all receipts for rent must be granted on a printed form sold by the Government. A landlord who habitually fails to grant receipts is liable to a fine or imprisonment. A decree for arrears of rent may be executed by the sale of the interest of the tenant in whole or a portion of the holding. The tenant, however, cannot be arrested under the decree.

The Court is also empowered to lease the holding for a maximum period of six years to any person who pays the amount outstanding in the decree.

The Act has allowed all the tenants (except non-occupancy) to sub-let for five years and to sub-let again after expiry of a period of three years. The landlord's right of acquisition has been restricted to five acres for a house, a garden, or a grove. The compensation payable for land so acquired has been increased. Regarding improvements the principal change in law is that the tenant or a sub-tenant has the right to construct on his holding a residential house or any other building serving agricultural purpose without the permission of the landlord. Hereditary tenants are given the right to make any improvement other than the construction of buildings in the immediate vicinity of their holdings or the construction of tanks.

Lessons from Agrarian Settlement in post-War Europe

Having briefly described the various changes brought about by the United Provinces Tenancy Act, (1939), we now pass on to a study of the lessons for India from the agrarian settlement in post-War Europe. Among the various social effects of the last Great War perhaps the most imporant, and certainly the least expected, was the downfall of the large class of landowners and the renaissance of the peasantry as a social group in Europe. This social revolution has been active throughout the Continent and marks the death-knell of landlordism there. The principle has penetrated

even into Great Britain—the last stronghold of 'landlordism'. The peasantry has been freed from feudal servitude not by paying one lump sum of money, as in previous reforms, to the landlord but by a wholesale process of expropriation forcibly imposed either by the State or revolution. This profound change in the status of the peasantry has been brought about by the alteration in the view which regards property not as a *subjective* right but as a *social function.*

Property was the foundation stone of the 'Natural Order' of the Physiocrats. Property was defended as the most sacred of rights. It was treated as a 'divine institution'. The American Constitution and the French Declaration of the Rights of Man both treated property as one of the fundamental rights which Government must protect. The great individualists from Locke to Turgot, Adam Smith, and Bentham, all reiterated in different languages that rights of property were absolute and unconditional. The *rationale* of private property was that a man must reap where he has sown. Adam Smith wrote in defence of offering protection to property. But he also expressed the view that property sometimes is merely the result of usurpation. The "Wealth of Nations" contains the sentence that "landlords, like other men, love to reap where they have never sowed." The angle of vision, however, has altered considerably during the last half century with regard to landownership. Increasingly, under the pressure of philosophical and political criticism, property has come to be regarded as a social function and not as

an absolute individual right.[7] Under the stress of war conditions when every State curtailed the property rights of its citizens, even in the field of consumption by enacting sumptuary laws, whenever its needs were pressing, the new conception of property received a tacit and definite recognition.

The entire agrarian reform of the post-War period in Eastern Europe is based upon this new and progressive conception of property. The character of the reforms was mostly determined by the social needs of different countries. Three distinct types, however, are noticeable in the various reforms passed on the Continent. At one extreme is Russia, which has done away with large property with no compensation to the former owners. Then, in most of the countries bordering on Russia as well as Yugoslavia and Czechoslovakia the greater part of the large estates has been divided among the peasants—the former owners received compensation, but always less than the actual value of land. Finally, in Central and Western Europe—Austria, Hungary, Gemany etc.—the reforms have merely aimed at facilitating the expansion of peasant farming. Land has been purchased by the State for the peasants at current prices and distributed among them according to a 'working norm'. The reforms everywhere mark the fall of the landlords and the triumphant emergence of the peasants.

The effects of these land reforms are full of signifi-

[7] For an excellent discussion on this subject, see Tawney, R. H. *Acquisitive Society.*

cance. A mere description of their provisions would not suffice. We have to study the deeper implications of these changes.

Land is the chief national asset of a country. The Government, the landlords, and the cultivators are in different degrees the custodians of the national wealth. No one party can be allowed to remain a trustee and receive a remuneration without performing economic services for the advancement and development of national resources. A close examination of the changes in land-ownership during the last fifty years shows that land is passing more and more into the hands of rent-receivers and speculators. There has been a mushroom growth of absentee landlords who are not performing social and economic services commensurate with the profits which they receive from land. The evils of absenteeism, management by unsympathetic agents, rack-renting and sub-letting through a chain of inferior proprietors are present in varying degrees in most parts of the country. Tenants are often regarded as money investments. Landlords own property not as a means of work but as an instrument for the exercise of power or exploitation. This divorce of ownership from work must be removed and the landlords must be taught the obligations of ownership. It is thus only that the present features of agrarian unsettlement, which are undermining the foundations of the rural welfare, can be removed.

CHAPTER X

PROPRIETARY TENURES IN OUDH

Introductory

The origin and the nature of the development of private rights in land have, both in the East and West, been the subject of endless controversy. The Roman doctrine of private property based on occupation is held to be the common feature of primitive people. Thus Dr. Lewinski,[1] after a careful study of the economic life of primitive peoples, in the course of his lectures delivered at the London School of Economics (1913), falls back upon the Roman doctrine and draws two important conclusions, viz.—

(i) that the individual ownership is the primitive and natural form of property; and

(ii) that the Roman Law gives a correct idea of the way in which property is formed.

On the other hand, the Roman doctrine of property was rejected by Sir Henry Maine, who, basing his conclusions on his studies of the village communities in the East, believed in the communal theory of property. Sir Henry wrote that "the notion that an act of this description (i.e., acquiring property by occupancy) confers a title to *res nullius*, so far from being characteristic

[1] Dr. J. St. Lewinski, *The Origin of Property*, (1913), p. 31.

of very early societies, is in all probability the growth of a refined jurisprudence and of a settled condition of the laws."[2]

India is an outstanding example of this controversy. Whatever be the outcome of this controversy—which I do not propose to enter into here—it is an undisputed fact that the origin of land tenures and the growth of private rights in property in India have followed the course of development of village communities. Whatever may have been the historical process by which village communities had been established, the modern forms of land tenure, in some parts of the country at any rate, owe their origin to the political conditions of the times. The land tenures of Oudh amply prove this assertion.

Land Tenures are usually divided by European writers into proprietary and sub-proprietary. A sharp line of distinction is drawn between zamindari and non-zamindari, i.e., between full-proprietorship on one hand and all other subordinate rights on the other. Private rights in land were always recognized both by the Hindu and Mohammadan rulers. On this vexed question the Indian Taxation Enquiry Committee was unanimously of the opinion that, under both Hindu and Muhammadan rule, the State never claimed absolute or exclusive ownership of land and definitely recognized the existence of private property in it. The British have also recognized proprietary rights in India. There are, how-

[2] Sir Henry Maine: *Ancient Law*, (10th edition), p. 268.

ever, differences of opinion on this point. The Taxation Committee (1925) after exhaustively examining the subject was unanimous in its opinion that in the case of land under the Permanent Settlement the Government has no proprietary rights. In the case of temporarily settled districts the Committee were divided in opinion, but they were in agreement that the zamindars and ryots possess certain proprietary rights subject to the payment of land revenue.[3] The controversy is capable of being argued at almost any length but the zamindar's interest in land, even in the temporarily settled districts of the Agra Province, has never fallen short of the *dominium* of Roman Law, which included *usus, fructus, abusus,* and *vindicatio* or the right of use, of enjoyment of produce, of disposal or alienation, and of recovery by legal means in case of dispossession.[4] In the case of the Talukdars there is no room for doubt on the subject of private proprietary rights. They have their *sanads* (i.e., patent rights) in which full proprietary rights have been granted.

Proprietary Tenures—Origin of Talukdari

Proprietary tenures are commonly divided into three classes:—

(i) Talukdari.
(ii) Zamindari.
(iii) Pattidari.

[3] The Taxation Enquiry Committee (1924-5), par. 83.

[4] The term *zamindar* (landlord) is used here in a broad sense, e.g., it includes the various under-proprietors. *Ryots* is taken to mean *actual cultivators.*

Before the annexation of Oudh and the grant of sanads to the Talukdars by the British there was no legal distinction between the Talukdari tenure and Zamindari tenure. Estates lay intermixed with each other. Some received one denomination, the rest were known by the other name. There was no essential difference in the status of the two. After the Mutiny (1857) the Talukdars received a distinctive superior status which has no parallel in any part of India.[5]

Two extreme theories have been enunciated regarding the origin of the Talukdari tenure. The patriarchal theory divides Talukdars into two classes, *pure* and *impure,* to the former belong the descendants of the ancestral proprietors, to the latter officials, court favourites, contractors of revenue and bankers, who had acquired power and property during the period of the Nawabi rule. The patriarchal theory is thus described by a writer in the *Calcutta Review* in the following passage:—

Talooks have been appropriately divided into two classes, the *pure* and *impure.* To the invasions of the Rajputs (a little prior to the middle of the twelfth century), Mr. Thompson traces the foundation of the existing proprietary rights in land. The descendants of each chief, he tells, multiplied till at length in some instances they displaced all other occupants of the land, or at least assumed all the proprietary privileges. The

[5] The Oudh Estates Act, (Act I of 1869), defines their privileges. Some of these privileges are not even enjoyed by the zamindars of the Permanent Settlement.

members, he adds, were numerous, and each territorial sub-division was marked by the prevalence of its own stock. These all trace their origin to a single person who first acquired the country.

Those whom we now call the *pure* talukdars, are the chiefs descended from the leaders above referred to. They may be the legal successors in a direct line of the original settler, or they may have sprung from a junior branch raised to power by favour, ability, or the voice of the tribe; but, of this there can be no doubt, that these feudal lords, whom we find in possession are the hereditary chiefs of important tribes, whose position in the eyes of the people had become hallowed by the memory of an extreme and not inglorious antiquity. Whenever, thus, we meet with a dominant class of Rajputs with one or more acknowledged chiefs at its head, we may rest assured that these have one or more estates which had their origin in a *pure* taluka.

But instances will be found, not infrequently, where large proprietors have arisen at a more recent period through the influence of official position, or by favour of the ruling power. Such estates have been designated *impure* talukas and they are to be recognized by the general absence of clansmen, and by the traceability of the origin of the tenure. Even such talukas as these, however, will also be found to be surrounded by the reverence due to the prescription of age.[6]

[6] *Calcutta Review*, June, 1866. *The Talukdari Tenure of Upper India*, quoted in *Sultanpur Settlement Report*, (1873), p. 63.

The opposite theory is explained by Mr. Benett in the *Family History of Chief Clans of the Rai Bareilly District*. Mr. Benett observes:

The division of the class into *true* and *false* talukdars, puts the matter in a wrong light. As a matter of fact, all were exactly the same in as far as they were Talukdars, middlemen put in by or forced on the Government, superintendents of arbitrary collections of villages, who as the central power grew weaker, were being gradually and surely transformed into landed proprietors. What has been called a true Talukdar differs from what has been called a false Talukdar, only in the fact that while the former had been for centuries exercising an *imperium in imperio* on the spot, the latter was an outsider whose fortune, talents, or wealth had secured him the position. Both were alike in being Talukdars, though they differed in every other particular. They included in their ranks representatives of every class of men; powerful but *parvenu nazims;* the descendants of twenty rajas who have successively ruled with semi-regal power over tracts as large as an English County; extortionate usurers; the old village revenue officials whose ancestors had been established by Akbar or Ibrahim Sharki, the menials of the King's stable and garden, and the Kayasth, who pillaged his treasury and robbed his subject, all struggled for a place in the new aristocracy. It must never be forgotten that the root of their fresh growth was laid in the old Hindu clan organization, and the whole movement was in fact nothing else than the reaction of the natives against their

Mohammadan conquerors. The seeds of the Hindu social system never lost their vitality and asserted it over and over again in every part of India on every occasion when Moslem powers showed any trace of weakness.[7]

The former of these views implies that the *pure* Taluqdari tenure is associated with the ideas of chiefship of a clan, acquisition by conquest and possession of an estate for several centuries; the latter on the contrary lays down that none of these conditions is essential to constitute a Taluka. Mr. Benett thinks that they came into existence within the last hundred years. The distinction of Talukas between *pure* and *impure* points to the important distinction between estates of recent mushroom growth, and old estates, hallowed by time. The rise of these *impure* Talukas corresponds to the foundation of the Nawabi dynasty and forms an epoch in the history of land tenures in this province.

During the rule of Nawab Sujahood-Dowlah, the lands in Oudh were generally of two descriptions, viz., the *Khalsa* or Crown lands and *Huzoor Tehsil* lands, or those for which the holders paid their revenue direct into the Huzoor Tehsil or Nawabi Treasury. The extravagance and supineness of Oudh rulers soon introduced a change in the collection of revenue which is mainly responsible for the growth of a body of 'impure' Talukdars during the Nawabi dynasty. To rid themselves of the trouble of making the revenue collections, the system of farming out tracts of country to influential

[7] *Family History of the Chief Clans of the Rai Bareilly District* by W. C. Benett, I.C.S., par. 87.

persons was introduced. This was the *Izarah, Mustajiri* or contract system under which a powerful landholder class was created which later on assumed the title of Talukdar. This system was tried from time to time under different Oudh rulers but with the greatest degree of success under Saadat Ali, the sixth Nawab of Oudh. Between the years 1798-1814 Saadat Ali kept a careful watch over the *Chakladars* and the growth of these Talukdars received a set-back in his time. After the death of this great ruler there commenced a reign of "change and encroachment under an arbitrary and lawless administration" and such estates increased with rapidity and vigour. His weak successors found the control of the individual chakladars too much for them and resorted therefore to the easier method of farming out the collection of revenue in each *chakla* to the highest bidder. The revenue farmers, backed by the armed forces of the Government, cared for nothing but to collect a high revenue, and so small landholders and the members of impoverished communities under the pressure of continually increasing taxation, resigned their power to a few large land-owners so that the village became incorporated with a Taluka. In this manner originated such Talukdars as those of Shahganj and Pirpur in Fyzabad District. "Of the gigantic strides by which territorial aggrandisement was capable of proceeding during this period," writes Mr. Millett in the *Sultanpur Settlement Report,* "no better example could be desired than that of the Amethi estate." As an interesting illustration of the way in which property

changed hands during that period the Settlement Officer narrates the story of Maharajah Man Singh, Nazim of Sultanpur. The proprietors of ten villages (unconnected with each other) fell into arrears. Man Singh threw them into confinement and asked them to execute deeds of sale in his favour, but the coveted spoil lay inconveniently far from his estate. The difficulty was not insuperable, however; Man Singh's estates lay sufficiently close to the northern portion of that of Kurwar near the southern extremity of which the villages in question lay. They were accordingly handed over to the Rajah of Kurwar, who in turn made over to Man Singh an equal number of villages in a more eligible position.[8]

The modern history of the Talukdars dates after the annexation of Oudh.[9] For their help during the Mutiny and the re-establishment of authority, soon after the pacification of the province, the Talukdars were presented with sanads (patents) by which they were declared to possess permanent, heritable, and transferable rights, with the special power of alienation, either in lifetime or by will, notwithstanding the limits by the Hindu or Mohammadan Law. This status has no analogy in the rest of India. The Oudh Estates Act (Act I of 1869) is a *Magna Charta* for them collectively.

Nowhere in the whole land history of India can a

[8] *Settlement Report of Sultanpur*, (1873), pp. 67-68.

[9] See Chapter VII for the modern history of Talukdars and their rights.

better example be found of how the fate of millions of people is bound up with the political upheavals in the country. In 1856 the Government issued instructions to settle with the actual proprietors. In 1858 the Government, entirely for political considerations, subordinated and sacrificed the interests of the millions to the interests of the few. The historian of the land problems of India must always take into consideration the changes in the political machinery of the country and their reactions on the land systems of the country. Much of the confusion and misunderstanding in the study of the origin and development of the different systems of land tenure is due to the failure to recognize the influence of political causes. The origin of property, the development of village communities, and land systems are all closely knit together with the changes in the systems of Government.

Zamindari

From the Talukdari tenure we pass on to the Zamindari tenures. As noted previously, before the British occupation of Oudh there was no essential distinction between the rights and liabilities of these two classes of tenure-holders. The internal economy of the estates was originally based on the zamindari type of tenure. The common management of irrigation channels, the common management of village functionaries and artisans, the common grazing grounds, all testify to the existence of community of property, involved in the

zamindari tenure.[10]

Zamindari tenures are those in which the entire village land is either owned by a single landlord or a body of co-sharers, who may represent a group of ancestrally connected families. The individual landlord seldom cultivates the land himself. The co-sharers may sometimes cultivate the land. In the United Provinces, generally speaking, where the influence of the Moghul rule was very great, the co-sharing families consist of non-agricultural castes, which on account of caste rules, are prohibited from touching the plough.[11] Thus the zamindari tenure established by families of ruling races, officials, revenue farmers, traders and capitalists divided the agricultural community into two classes—cultivating and non-cultivating, the former representing a tenant body older than the land-holding group.

The internal economy and the responsibility for the payment of land revenue was different in the vill-

[10] In Northern India, even today, when the produce is raised from a field, the village functionaries, e.g., blacksmith, carpenter, potter, sweeper, cobbler and chowkidar (village watchman), receive a share from the *common heap*, besides cash payments which are of recent development. These functionaries used to perform free services to the villagers. They were supported from the common fund called *malba*. They also received presents, in cash and kind, on marriages, deaths and festivals.

Moreover, the wells, tanks, irrigation channels, roads and guest-houses were all constructed and maintained from the common fund contributed by the villagers.

[11] e.g., the Brahmins are prohibited by the caste rules from touching a plough.

ages owned by a body of co-sharers as compared with the villages owned by a single landlord. In the former case the whole body was jointly and severally responsible for the payment of the Government revenue. The Government revenue and other liabilities were paid out of the rents received from the cultivating classes and the remainder was divided among the several partners according to their shares. Where, however, the zamindari tenure consisted of a single individual landlord, there was no division of income. The members of the family received maintenance and the whole income was administered by the head of the family.

Pattidari—Perfect and Imperfect

Pattidari tenures were those tenures in which the lands were divided and held in severalty by the different proprietors. Each *pattidar* managed his own land and paid his fixed share of the Government revenue. The whole body, however, was jointly responsible in the event of any one sharer being unable to fulfil the engagement. *Imperfect Pattidari* tenures were those in which part of the land was held in common and part in severalty, the profits from the land held in common were first appropriated to the payment of the Government revenue and the village expenses. The surplus was distributed as profits among different co-sharers and the deficiency was made up by a rate on the several holdings.

But after a certain stage pattidari form of tenure began to show signs of disruption. The first step towards this dissolution was perhaps the cultivation and separation

of sir[12] land by each individual co-parcener. This was the thin end of the wedge and ultimately resulted in the separation of property and in imperfect pattidari. For some time the sir holders paid the full rent of the lands cultivated by them, receiving back the profits due to their share. But as the number of the co-parceners increased the aggregate area of sir land also increased and the *shamliat* (i.e., common) lands failed to suffice for the payment of the reveune, so that what they paid as rent of sir land they received back as profits. This roundabout way of doing business was stopped and the method was devised whereby the shamliat lands were left as the common property in the hands of the leader of the village for the discharge of the payment of land revenue, in case of any deficiency in the revenue demand it was to be met with by levying a rate on each co-parcener on his sir. Thus the zamindari tenure merged into the *imperfect pattidari.* A stage arrived later on when each co-parcener even demanded a partition of the shamliat lands in which case *imperfect pattidari* led to *perfect pattidari.*[13]

Under-Proprietary Tenures

Under this head come some of the most difficult questions which arose in the Settlement of Oudh. Under-proprietary rights were unfamiliar to an English mind. In Oudh under-proprietors existed not only in

[12] *Sir* (i.e., home-farm) land is important in the United Provinces of Agra and Oudh.

[13] See *Sultanpur Settlement Report,* (1873), p. 69.

unusual varieties and kinds, but also possessing unusual strength. After the re-occupation of the province the Government, while granting Sanads to the Talukdars, announced its intention to "take effectual steps to re-establish and maintain in subordination to them the former rights as there existed in 1855, of other persons whose connection with the soil is in many cases more intimate and more ancient than theirs." It was further declared that "the only effectual protection which the Government can extend to these inferior holders is to define and record their rights and to limit the demand of the Talukdars as against such persons."[14]

Sub-Settlement

In fulfilment of these promises two important rights, among various others, were recognised, i.e., the right of a *sub-settlement* and the right of *sir*. The most prominent was the right of sub-settlement in which an entire village, though included in a Taluka and held in subordination to it, retained distinctive signs of individual proprietary character. The owners of such villages had prevented the destruction of their proprietary rights, and had intercepted a substantial portion of the profits. The few lucky people who were entitled to sub-settlement, after a prolonged correspondence in which Sir Charles Wingfield was the champion of the cause of the Talukdars, were required to pay

[14] The rights of the under-proprietors are discussed in Chapter VI.

in no case more than 75 per cent of gross rental[15] to a Talukdar and the only condition imposed upon them was that their payments must be regular and punctual.

Under-Proprietary Rights

Under-proprietary rights differ in different parts of Oudh. The most prominent being:—

(i) *Dihadari.*
(ii) *Nankar.*
(iii) *Sir.*
(iv) *Birt.*
(v) *Sanklap.*
(vi) *Jagir* and *Mafi* (free grants).
(vii) *Marwat.*

The origin of these under-proprietary rights was due to various causes, e.g., *Dihadari* and *Nankar* were granted for the support of the out-going proprietors,[16] the former in the form of property, the latter in the shape of annual income. *Sir* land (home-farm) was invariably granted for the support of petty out-going proprietors as a mark of proprietary position. The character of such lands, however, has changed under British rule. A zamindar continuously cultivating the same land through his own labour and capital for a period of twelve years acquired the right of *sir*. *Birt* (sale of crown lands) tenures mostly represent the under-proprietary rights created through the sale of Crown

[15] i.e., the total amount realized.

[16] i.e., the former proprietors who lost their property due to various causes, e.g., sale or voluntary transfer. See the account of *Dihadar* and *Nankar*.

lands. *Sanklap* grants were always created for religious motives and represent payments in land to Brahminical classes for the purification of the soul of the grantee.[17] *Free grants* were created for the personal service of Kings or their Chiefs. *Marwat* grant was a sub-proprietary tenure created for support of the family of a man slain in battle. A brief account of each of these forms of under-proprietary right is given in the following pages.

Dihdari

It was a common practice under Indian rule that when property was transferred by sale or even by voluntary transfer to some neighbouring Talukdar to escape the exactions of a Nazim (tax-gatherer), the purchaser assigned a portion of the property (not income) in perpetuity to the former proprietor for his subsistence. This grant of land is known as *Dihdari* or *Didari*. The assignment was sometimes a fixed proportion of the property. More often the assignment was made without reference to any specific share. Such tenure was generally conferred in writing and the under-proprietors enjoyed all village privileges and dues. The grants were at the outset always rent-free. Then, in some cases, however, a low quit rent was subsequently charged. Their rents are still below the Government demand.[18]

[17] Land, gold and cows even to this day are given to Brahmins to keep the soul of the dead in peace.

[18] *Fyzabad Settlement Report*, (1878), pp. 79-80.

Nankar

It was a deduction from the recorded rental allowed by Muslim rulers for the revenue-farmer's maintenance. Where a large estate was concerned, it often took the form of a revenue-free village. When the *nankar* holders' villages were included in a *Taluka,* they became under-proprietors. During the reign of Asaf-ud-daula nankar allowances became very common and the State suffered heavy losses. The main object of nankar allowances was to win the support of landholders.

Sir

Sir lands may originate in various ways. It was a frequent practice for landholders to exempt some land from assessment of revenue in the case of certain individuals. Such lands came to be known as *sir* lands. But sir is, in most cases, the appendage of proprietorship, the lands forming the home-farm of a proprietor. Sir lands, as we have seen in the origin of imperfect pattidari, were cultivated by the co-parceners themselves. Sometimes sir lands were also assigned to junior branches of a family for their support, instead of breaking up the estate, in lieu of their share in the ancestral property. Another important way in which sir originated was when the villages of the proprietary communities were merged in Talukdars, voluntarily or in self-defence, and the communities, however, retained certain rights and advantages in their home-farms. Lastly, when old proprietors parted with their estate whether by sale or otherwise, without any reservation as to lands retained

for their support (as was in *dihdari*), it was customary for the new proprietor to leave them in possession of the land tilled with their own ploughs as a mark of proprietary position. The lands ordinarily do not lie within a ring fence, but are scattered over the village area. They might be rent free in some case, but ordinarily a low rate was charged. *Sir* is often regarded as synonymous with *Khudkasht* or land cultivated by the zamindar with his own labour and capital. But it need not be like this. Ex-proprietors and zamindars are often found cultivating lands other than their sir proper. Sir lands are sublet to tenants-at-will (i.e., those who do not possess occupancy rights) to realise higher rent. Hence it is an erroneous idea to suppose that sir lands are the best lands in the village or they constitute the home-farm of the land-holders.[19]

Birt:

Birt involves "sale or gift of proprietary rights within definite limits."[20] *Birt* is of two kinds—purchased and unpurchased. *Bai* (purchased) *birt* is a *birt* granted for money received and is held in all points a full-proprietary right subordinate to the Talukdar on certain conditions, as, for example, the payment of rent. Birt sometimes was a grant made by a Hindu raja or Governor in favour of Brahmins and it was originally of a religious character. Such birts conferred by favour were liable to resumption at the will of the rajah.

[19] See *Fyzabad Settlement Report*, (1878), p. 89.
[20] See *Gonda Settlement Report*, (1878), p. 49.

Sankalp (i.e., Vow)

Sankalp primarily signifies a religious vow and applied to tenures means land devoted to religious purposes and bears a close resemblance to the *Wakf* of Mohammadan Law and grants of lands to the Church in Europe during the Middle Ages. This was the exclusive character of sankalp in its beginning. Later on, when the Brahmins left their priestly character and acquired the role of money-lenders, the original nature of the terms began to be lost sight of and a loan of money by the recipient became a common feature of such secular transactions. The force of the religious character was, however, kept up and the money transaction was omitted in the deed to show that the grant was made from religious motives for the spiritual welfare of the grantee. Yet another object in the creation of a *sankalp* grant was the reclamation of waste jungle. Brahmins were found with sufficient capital to pay a small price for such lands and to meet the cost of clearance and tillage.

Free Grants

These are known by various denominations, *Jagir* and *Mafi* being the best known. All these forms of tenure are free grants of considerable antiquity, differing only in minor points. The *Jagir* is connected with the performance of some service and was a royal grant conferred alike on the highest subjects and the pettiest landholder. It was in a large number of cases granted as a fitting reward for distinguished military service

either to the man himself or in case of his death, for the maintenance of his family. Jagirs vary considerably in size from several villages to hardly an acre. The Jagir originally was a personal grant, but, as under Indian rule the son often succeeded to the post of the father, it had a tendency to become hereditary. *Mafi* (i.e., free grant) is a very wide term and includes grants of land given by whomsoever free of rent and revenue.

In Oudh nearly all these free grants are found in the districts of Rai Bareilly and Bahraich, the persons are mainly Punjabis who were given estates in reward for their services during the Mutiny. The grants vary in size from the 400 villages bestowed on the Maharajah of Kapurthala to 3 or 4 villages conferred to Sikh grantees in Rai Bareilly. The rights and liabilities of these grantees are in every respect identical with those of a Talukdar; Act I of 1869 being the Statute by which their status and rights are clearly defined.

Marwat

Lastly, there is the interesting form of an under-proprietary right granted to the family of a man slain in battle for the Talukdar which is called *marwat*. The Talukdar, when he was a military chief, not only paid his soldiers, but was also responsible for the maintenance of his family in case the soldier died in battle for him. Judicially, it has been held that a marwat grant is not an under-proprietary holding. But the grant is heritable.

Summary and Conclusion

The conclusions at which we have arrived from this detailed study of the land tenures in Oudh may briefly be summarised thus:—

(1) Private rights in land were always recognized both by the Hindu and Mohammadan rulers.

(2) The British have also, subject to some limitations, recognized private property rights in land.

(3) The origin of the modern Taluqdari tenure is entirely due to the political exigencies of the time.

(4) The under-proprietary tenures, created for various purposes, point to the existence of various gradations of interest in land.

What light, may it be asked, is thrown by this investigation on the general problem of land tenures.

The agrarian history of India closely reflects the tendencies which worked on the Continent during the feudal period. The rise and growth of the Talukdars and zamindars correspond to the growth of the French nobility before the French Revolution. The same political tendencies which created the French landed aristocracy created the Indian Talukdar. It is, however, a mistake to suppose that the British have created the Talukdar and the Zamindar. They existed during the Moghul days as the farming of revenue was a common method of raising revenues by the Moghul rulers. With

the coming of British rule and the establishment of *Pax Britannica* their position has been legalised and confirmed.

To sum up, the under-proprietary tenures are not peculiar to India. They were established, though varying in nature, under feudalism. Professor Antonio De Viti De Marco thus describes their establishment:

> With the establishment of feudalism. . . . the proprietors of freehold land, or allodium, on which they owed the tax or public *census*, when the security of their occupation was threatened by the barons, by the great proprietors, and even by the functionaries of the King, had recourse to the expedient of selling the free lands to these various trouble-makers in order to buy back their protection, with the understanding that the former proprietors would get the lands back as feudal concessions. Thus the public *census* was in fact transformed into, or became merged with, the private *census*.[21]

The above quotation from Professor De Viti clearly shows that the growth of under-proprietary rights in India was practically on the same lines as it was on the Continent of Europe.

Finally, the historian of the land system in India, to account for the origin, growth, and structure of land tenures, must take into consideration the influence of social and political causes.

[21] Antonio De Viti De Marco, *First Principles of Public Finance*, p. 66 (Cape, 1936).

CHAPTER XI

RENTS, REVENUE, AND PRICES

The Political Chaos

Land policy during the last ten years (1930-40) has been profoundly influenced by the Congress activities; almost every important act turns upon the conflict between the policies of the Government and the Congress. This is not to say that the troubles of these years are to be ascribed to the wickedness of the Congress or to the folly of the Government which was responsible for maintaining law and order in the province. The problems of land policy arose mainly on account of the unprecedented fall in the price of agricultural products. The agricultural depression was world-wide and no country escaped from its effects. But in India, the depression took a different shape because the fall in prices coincided with a period of political unrest. It was difficult to separate the agrarian issue entirely from the question of civil disobedience.[1] Here is the clue to

[1] 'We wanted, at any rate in 1931, to consider it from the economic plane only, divorced from the political. This was difficult, as the two were anyhow intimately connected, and in the past had been closely associated. We, as a Congress organisation, were also definitely political. For the moment we tried to function as a kind of Peasants' Union but we could not and did not desire to give up our political character, and the Government looked upon everything we did as political.' Nehru, Jawaharlal, *An Autobiography.* (John Lane, The Bodley Head, London, 1936) pp. 298-299.

some of the difficulties of the period. The connection between the revenue policy, fall in agricultural prices, and political discontent was nowhere in India, with the probable exception of Gujerat (the native place of Mahatma Gandhi), more pronounced than in the United Provinces. The province was the chief centre of political agitation and the suffering among the peasantry was the acutest in this province. It is desirable to give here a brief account of the political activities of the period and their repercussions on land policy.

Genesis of the Kisan Sabhas

Political agitation of an extremist type was started after the Reforms of 1919. The Congress threw its weight definitely against British rule and the criticism of British policy became more and more bitter. Political agitation, in the shape of the Non-co-operation Movement, was not limited to the well-organised campaign for the boycott of the Council election (1921), but was also spread among the cultivators.

In the previous Chapters we have mentioned that the relations of the landlords with their tenants were not of a harmonious nature. There was a persistent demand on the part of the peasantry for a greater security of tenure and fair rents. The system of taking *nazrana*, illegal ejectment, concealment of rentals, and many other abuses of peasant problem were coming more into prominence.

The problem was more serious in Oudh than in

Agra because the practice of taking *nazrana* was more common there. The agrarian agitation in Oudh began with the *Kisan Sabha* movement in the autumn of 1920. Starting in the district of Partabgarh the movement spread into Rae Bareilly and Fyzabad districts. Originally the idea of the Kisan Sabha movement was to fight against the abuse of power by the Talukdars. The agitation, wrote a Commissioner of the Fyzabad division, began in Partabgarh with a genuine agitation of the tenants against cesses which they considered not only burdensome but illegal, and ended in a general demand for protection against arbitrary ejectment by which alone the levy of such nazrana is sustained. In this district, at any rate in the first instance, it was a movement of tenants for the amendment of the law.[2]

Unfortunately, the movement lacked proper guidance and instead of remaining a purely tenants' association for economic welfare it took a political colour and collapsed after a short life.

The grievances of the peasantry, however, took a serious shape and agrarian rioting broke out in Rae Bareilly and Fyzabad in 1921. In Rae Bareilly on January 2nd and 3rd, 1921, some crops and property of the landholders were destroyed; on January 5 a landlord's house was besieged by 3,000 cultivators and labourers. In Fyzabad 30 villages and a bazaar were looted on the 13th and 14th January, 1921. Such disturbances occurred in Meerut, Aligarh and various

[2] V. *Administration Report of the United Provinces*, 1921-22, p. xvi.

other districts as well. The situation in some cases, could only be brought under control by firing.

The Government, to relieve the chief grievances of the tenants, promptly introduced the Oudh Rent (Amendment) Bill on August 4, 1921. The main changes introduced by the Act have already been noticed. The Act, to some extent, pacified the peasantry.

Eka Movement

Meanwhile, the *Eka* (Unity) movement was started in Malihabad tehsil of the Lucknow district (1921). It was a revival of the Kisan Sabha under another name. The objects of the *Eka* movement were: (i) not to pay more than the recorded rent; (ii) to insist on receipts of the rents paid; and (iii) not to pay *nazrana* or to do *begar* (forced labour). The movement for some time assumed a formidable aspect in the districts of Sitapur, Lucknow, and Hardoi, but again due to lack of organisation and proper leadership declined.

No-rent Campaign (1931-32)

To complete our account of this aspect of the problem let us turn to the events during the great depression. Political agitation among the masses was started soon after the appointment of the Indian Statutory Commission (1930). The Congress started the Civil Disobedience Movement. To Mahatma Gandhi the movement was a spiritual exercise and was regarded by

him as the most convenient way by which the people could express their dissatisfaction against the activities of the Government. Civil disobedience came along with a denunciation of land policy and the new doctrine of no-rent campaign spread like wild fire. During the month of January 1931, the activities of the Congress were chiefly directed towards the no-rent campaign. These activities resulted in serious clashes between the landlord and peasantry, and the suffering among the peasantry, in some cases, was very great.

Happily, on account of the peace loving policy of Lord Irwin (now Lord Halifax), the political unrest was brought to an end, and the Irwin-Gandhi pact was signed at Delhi in the spring of 1931. Perhaps no Viceroy during recent times had the same firm conviction as Lord Irwin that it is the duty of the Englishman in India to do his utmost to fulfil political pledges and help India in attaining political independence. His policy will stand out as one of the happiest episodes in the history of British connection with India.

Soon after the Delhi Pact the United Provinces Government announced the grant of extensive remissions in revenue and rent amounting to Rs. 109.41 and Rs. 411.5 lakhs respectively. But these remissions were thought inadequate to mitigate the suffering of the people. Dissatisfaction was expressed from various quarters. The machinery of coercion, legal as well as illegal, was set in motion. Ejectment suits in thousands were decreed. Tension grew. Events moved faster. The chances of a compromise between the

Congress and the Government became remote, because each was suspicious of the other. On both sides there was the feeling of the inevitability of an approaching conflict and there seemed no reality behind the negotiations. Every step taken by either party seemed to indicate a desire to manoeuvre for a position.[3] On November 18, 1931, the Allahabad District Congress Committee decided to advise the tenants to withhold payments of rent and revenue. Thus again the no-rent campaign which had come to an end with the conclusion of Irwin-Gandhi Pact was restarted. On December 14, 1931, Pt. Jawaharlal Nehru was arrested. Mahatma Gandhi was still in England, attending Round Table Conference. After his return from there, he found the situation completely changed and out of his control. He also was arrested and the period of suffering began afresh.

In the next section, we examine the correlation between rents, revenue and prices. Incidentally, we shall point out the repercussions of the political chaos on the peasantry. Finally, the necessity, constitution and the functions of the *Kisan Sabhas* will be discussed.

'Sectional' Price-levels

Money is valued for its purchasing power. Thus changes in the value of money, i.e., price-level, produce vast social consequences because changes in the value of money do *not* affect all sections of society in the same

[3] See Jawaharlal Nehru, *An Autobiography*, (1936), p. 311.

way. We shall not here, however, consider the value of money and its reciprocal influence on the general level of prices. We need only study 'sectional price-levels' of agricultural produce and their influence on rents and revenue.

Correlation between Rents, Revenue and Prices

An examination of the figures of rents, revenue and prices (1901-37) shows that there is no direct correlation between them. Land Revenue is fixed during the currency of a Settlement. No doubt at the time of a Settlement movements of prices are taken into consideration in fixing the future demand. Nevertheless, fluctuations in price-levels disappoint expectation. The index number of the revenue demand, as will appear from statement No. A (in the Appendix) has continuously, though slowly, increased and in 1936 stood at 13 per cent above the basic period 1901-5.

The index number of the rents of the stable tenants moved at a slower pace than that of ordinary, the former in 1936 stood at 120 and the latter at 160 as compared with 1901-5.

Prices have shown more violent fluctuation than either rents or revenue. The index number of wholesale prices of agricultural products has shown a marked continuous increase upto 260, the increase being most marked during 1918, 1919, 1920, 1921 and 1922 when the index number as compared with that of 1901-5 stood at 200, 258, 243, 258 and 236 respectively.

During the depression prices fell heavily and the

index number of wholesale agricultural prices (base-period being 1901-5) stood at 112, 119, 114, 103 and 122 in 1931, 1932, 1933, 1934 and 1935 respectively.

From the above figures it appears that during the boom years, when the value of money had depreciated, the cultivators gained as they got a higher price for their products. The landlords, though their revenue demand was fixed, were not much affected as their incomes were free from some taxes, e.g., income-tax or Excess Profits Duty, which persons receiving income from non-agricultural sources had to pay. In a way they really gained as the capital value of their property had considerably increased. Conversely, during the depression years the cultivators were perhaps the heaviest sufferers as the value of their products had fallen very low.

The conclusion from the above facts is important. As the land revenue demand is rigidly fixed over long intervals of time (and rents are also fixed, though they are enhanced during the currency of a Settlement) violent fluctuations of prices affect the land revenue system. Excessive fluctuations of price levels (rising or falling) favourably or adversely affect the divergent interests of the Government, the landlords or cultivators in different degrees. Both cause vast changes in the distribution of wealth. Rising prices lead to heavier taxation on the non-agricultural sections of the community. Falling prices inflict injuries on the cultivating classes. Of the two evils the worse, in a poor agricultural country, is a fall in prices.

How to easily adjust the effects of the changes in prices levels in the rigid land revenue system of the country? The answer to this and other allied questions would be sought in the pages following.

Fall in Agricultural Prices.

The fall in the prices of agricultural produce in the province started in April, 1930. It was slow in the beginning and it was not until December of 1930 that the fall became remarkable. Taking wheat as a representative of other agricultural products, we may notice that the price fell from 7 *seers* 5 *chataks* to the rupee in October 1929 to 9 *seers* in April 1930 and 15 *seers* 5 *chataks* in December, 1930. The prices of most of the agricultural products reached their lowest figure in the summer of 1931 and in June (1931) wheat was sold 18 *seers* 5 *chataks* to the rupee.

The course of prices since July 1928 is given in the following tables:[4]

[4] *Administration Report of the United Provinces*, 1929-30, p. xix.

Month	Year	Wheat	Barley	Grain	Rice
July	1928	6.91	10.95	8.82	5.40
December ..	1928	5.63	6.99	6.47	5.02
July	1929	7.25	9.50	7.75	4.75
December ..	1929	7.25	10.25	7.25	5.25
July	1930	11.50	10.73	11.16	6.45
December ..	1930	15.14	20.04	15.34	10.23
May	1931	17.00	25.04	15.34	10.23

The course of prices during 1932 and 1933 is given in the following tables:

1932[5]

Month	Year	Wheat	Barley	Grain	Rice
January ..	1932	11.75	20.00	17.00	9.00
April ..	1932	15.00	20.00	20.00	8.50
June (first half)		12.00	17.00	17.00	8.00
October ..	1932	11.03	15.33	14.43	9.29

1933[6]

Month	Year	Wheat	Barley	Grain	Rice
January ..	1933	9.50	15.00	14.75	9.00
April ..	1933	13.50	19.00	17.50	8.75
June ..	1933	12.50	16.50	15.75	9.50
October ..	1933	14.31	20.30	17.14	10.70
December ..	1933	14.87	21.40	17.56	11.12

Measures adopted by the Government

The continued low prices of agricultural products

[5] *Administration Report of the United Provinces*, 1931-32, p. xx.

[6] Ibid., 1932-33, p. xxi.

attracted the attention of the Government and the Congress. The Government in the summer of 1931 appointed a Rent and Revenue Committee to recommend measures to alleviate the distress among the peasantry. The recommendations of the Committee are divided into two parts: (i) Measures relating to rent and (ii) Measures relating to revenue.

Regarding rents the Committee recommended that as prices had fallen to a level approximately as low as that of 1901, the general rental incidence was to be so reduced as to correspond with that of 1901. But in the adjustment there was one difficulty. While the rents of some of the tenants had been more than doubled since 1901, in other cases, the enhancement was small or not so marked. Thus in equity it became essential to differentiate between the various classes of tenants. Hence, the general incidence of the rents of each class of tenants in each village in 1931 was compared with the incidence of rents of the corresponding class in 1901. In some cases the incidence of the rents of 1901 had been raised by a small percentage due to improvements in irrigation or some other factors of a like nature. The difference between the incidence of 1931 and the incidence, amended where necessary, of 1901 was then reduced to a fraction of the former incidence, and the rent of each tenant in that class was reduced by that fraction. But to this broad principle there were two main exceptions. In no case was the percentage of the rent to be remitted for any one class of tenant, to be greater than the percentage fall in prices. In this way

rental remissions were, in general, subject to a maximum of 50 per cent. Secondly, while for each class of tenant the percentage of remission was calculated, it was nevertheless provided that no individual rent should be reduced below that paid for the same holding in 1901.[7] Under this procedure the total remissions for 1931-32 amounted to Rs. 411.25 lakhs.

The problem of revenue presented much more difficulty than that of rent. Two courses of action were open: (i) Remissions of revenue based upon the amount of rent remitted; and (ii) Remissions of revenue based upon the assets which remained after remissions of rents.

There is always a considerable gap between revenue and rent because while the zamindars are able to increase the rents during the currency of a Settlement, the revenue demand is fixed. Thus in districts where there had been no Settlement during the last thirty years the revenue had remained constant but the rent had more than doubled. Remissions of revenue in such cases, to bring it to the pitch at which it stood in 1901, on the basis of rental remissions, would have meant a substantial loss of revenue; while the assets would have remained (due to the Settlement being not revised) at a lower figure than they were in 1901. On the other hand, remission, on the basis of the assets left after rental remissions, to bring land revenue to the pitch of 1901, would have been unnecessary. Hence, while the land-

[7] V. *Administration Report of the United Provinces*, 1931-32, p. xvii.

lord pressed for the adoption of the former course, the Government, in the interests of the Provincial finances, naturally preferred the latter. Between these two extreme courses it was necessary to bring about a compromise, and the Government finally decided to remit revenue in each district by that percentage by which the current revenue demand exceeded 40 per cent of the assets as reduced by rental remissions. Where, however, the calculation resulted in a very small remission of revenue accompanied by a substantial remission of rent, they increased, as an act of grace, the percentage of revenue to be remitted. As a result of this process there was a total remission of Rs. 113.06 lakhs of revenue for 1931-32.

Defects of the Measures.

The above method for calculating rent and revenue remissions, to meet the fall in prices, was cumbersome in nature and difficult to administer. The cultivators generally could not understand the basis of remission and hence, in some cases, unscrupulous zamindars took advantage of it and tried to realize rents on the old basis.

Moreover, this temporary measure was open to two special objections. Rental remissions were determined for each cultivator not on the basis of his recorded rent and the quality of his holding, but, on the difference, to the class of cultivators to which he belonged, between the general incidence of rents in 1931 over 1901. This while benefiting some, injured others. It was an arbitrary measure not based on the principle of equality.

Again, as there was no proportion between rental remission and revenue remission, the landlords of some mahals gained while those of others lost; because individual mahals were all governed by the same percentage of revenue remissions granted for the district, irrespective of the fact as to whether the rental remissions were large or small. Finally, it must be remembered that these defects were bound to arise in any scheme of remission because, in view of the depression, any measure of relief must be given at once and consequently a formula had to be adopted that would not involve detailed inquiry into individual cases. Hence, there were disparities in the extent of relief between tenants and landlords.

The Government, therefore, appointed a special officer to suggest methods for the automatic adjustment of rents to meet major fluctuations of prices in future. The scheme, however, on account of administrative difficulties and other reasons, was dropped and the Government continued the *ad hoc* methods of granting remissions in revenue (Rs. 113.06 lakh) and rents (Rs. 411.25 lakhs) introduced in 1931-32 for all subsequent years (1936-37).

Re-settlement of the Districts

As the scheme for the automatic adjustment of rents to prices was dropped, the Government considered proposals to revise the revenue demand on the basis of prevailing prices by the re-settlement of the districts. In the February-March session (1936) of the Legislative

Council the Government introduced a Bill for revising Settlements on the basis of prevailing prices. The Bill received the support of the Council and Settlement operations were started in the districts of Meerut, Bijnor, Sitapur, Sultanpur, Bahraich and revision operations were also started in the districts of Saharanpur, Badaun, Hardoi, Barabanki and Fyzabad.

The policy of the Government was thus to revise the land revenue system on the basis of the prevailing prices. According to this policy the rental and revenue demand would be brought in conformity with the prevailing price-level. In Chapter IX we have pointed out the rules which the Government framed in this connection (1940).

Defects of the Scheme

This was a defective policy. To fix the rental and revenue demand for long periods at the full pitch on the basis of prevailing prices, which are subject to sudden changes, is to open the revenue system of the province to the dangers of uncertain price movements. Uncertainties of price movements are, no doubt, beyond our control. But to minimise the effects of price movements over long periods, we can *lower the pitch of the demand based* on it.

Taxation of land in India has two important characteristics. Firstly, it is fixed for a long period ranging from 30 to 40 years. Secondly, it is revised after careful Settlement operations. Both these features, in addition to the unprecedented fall in prices,

were responsible for the collapse of the revenue system. It could not adjust itself quickly. Hence, a general remission and suspension on a large scale, to meet the exceptional circumstances, had to be made.

In order that the revenue system may work smoothly, in future it is essential that the revenue and rental demand should be kept at a figure which would not cause hardship even in exceptional circumstances. To make up the loss in revenue caused by lowering the pitch of assessment, income-tax, death duties, and additional local rates should be levied. The imposition and adjustment of these taxes and rates would not require elaborate Settlement machinery. They could be changed easily.

Thus in a period of falling prices the low revenue and rental demand need not change. To mitigate the hardship the rate of income-tax, death duties and local rates should be lowered. The system would work smoothly.

The above proposal has one more merit. In periods of rising prices, the rates of income-tax and local rates, without causing any hardship, could be increased to bring in additional revenue.

The revision of the land revenue policy in the light of the above principle would not require executive action to meet emergencies. Land revenue would become a more stable source of revenue than it is now.

The proposals, in the light of the above principle, may briefly be summarised here:

(1) The revenue demand in temporarily settled

areas should be reduced from 40 *to* 25 per cent of the net assets.

(2) The rental demand should be reduced *by* 25 per cent.

(3) The deficit caused by the reduction in the percentage of land revenue should be made up by taxing agricultural incomes and a system of death duties.

(4) Additional local rates should be imposed.

(5) A larger percentage of land revenue should be devoted to the improvements of rural areas.

These proposals have been discussed by me at great length in my work on *Indian Provincial Finance.*

The Political Chaos and the Revenue System

The unprecedented fall in the price of agricultural products synchronised with a period of intense political dissatisfaction which was prevailing in the country after the appointment of the Indian Statutory Commission (1930). The scale of remissions in revenue and rentals granted by the Government were regarded as inadequate by the Congress. Mahatma Gandhi interviewed Lord Hailey at Naini Tal in May, 1931 and a temporary settlement between the Government and the Congress was arrived at. Meanwhile events moved faster and ultimately the Congress took resort to the no-rent campaign (1931-32).

The agrarian situation, during the depression, in the United Provinces, reached a critical stage. With the unprecedented fall in the price of agricultural produce, distress among the agricultural classes became very

acute. The Congress in its 'Report on Agrarian Distress in the United Provinces' (1931) complained against the Government for its policy of inadequate remissions and suspensions. The Government blamed the Congress for exploiting the uneducated cultivators to overthrow 'law and order' in the country.

The no-rent campaign of the Congress and the policy of repression of the Government need no comment. They form a sad chapter in the economic history of the province. The peasantry had to fight and suffer the evil consequences of the depression, for the no-rent campaign, whatever its value as a political weapon may be, was a fruitless measure in so far as it did not relieve the distress of the peasantry. The strained political situation of the period unfortunately coincided with the downward trend in prices and neither the Government nor the Congress could solve successfully the problem of agrarian crisis. Much of the suffering among the peasantry could have been avoided if this problem was solved in a frank and free spirit of compromise by the Government and the Congress.

Inadequate Remissions

The remissions granted by the Government under the scheme of 1931 were regarded as inadequate. In 1931-32 approximately Rs. 411.5 lakhs of rents and Rs. 113.06 lakhs of revenue were remitted. These figures, with very slight modifications, were being continued till 1936-37. During the period when the depression was at its worst the prices of agricultural produce,

roughly speaking, were reduced, on an average, by more than 100 per cent. The percentage of the total rental remissions to the total rental demand was 30 per cent in all the years, 1931-37. This shows that the relief given to the cultivators in some cases was inadequate. It was suggested that a relief of 8 annas in the rupee in the rental demand in some years would have substantially relieved distress among the peasantry. But it must be admitted that during the years 1933-37, when the price level had appreciably risen, the remission in rents (411.5 lakhs) and revenue (113.06 lakhs) were liberal. Hence, the alleged connection between the no-rent campaign of 1934-35 and the inadequacy of rent or revenue remissions is incorrect.

Coercive Processes

It is difficult to state with precision the effects of the inadequate rental remissions. The high percentage of revenue collections and the increase in the number of coercive processes and warrants to realize the demand, however, show to some extent the hardship caused during this period. The following table shows the percentage of revenue collected to the effective demand and the total number of coercive processes issued for the recovery of land revenue:

Year[8]	The percentage of revenue collected to effective demand	Total number of coercive processes for the recovery of land revenue
1929-30	..	225,341
1930-31	..	245,855
1931-32	97.3	256,284
1932-33	99.7	243,000
1933-34	99.9	213,000
1934-35	99.9	217,000
1935-36	99.0	209,000

In 1931-32 (when prices were lowest), the largest increase in coercive processes for the recovery of land revenue was in the attachment of moveable property and warrants of arrest. In 1932-33 the processes issued fell to 243 thousand, the fall being mainly in 'writs of demand' for the collection of canal dues. There was an actual increase in warrants of arrest and attachments of moveable property.

The fall in the coercive processes in subsequent years shows roughly that as prices rose realization of revenue demand became easier.

Hardships of the Cultivating Classes

The hardships caused to the cultivating classes, on account of the coercive processes employed by the landlords, in the failure to pay rent, was very great. The Congress Enquiry Committee on Agrarian Distress (1931) in the United Provinces reported numerous cases of persecution, intimidation, and coercion of

[8] *Compiled from the Reports on the Administration of Revenue in the United Provinces.*

tenants by the zamindars and Talukdars in a large number of districts. The Report at one place observes:

> It is unfortunately a fact that unauthorised exactions of various sorts are made on a large scale, receipts are not given in many villages, amounts in excess of the recorded rent are also realized, especially in the eastern districts and the general feeling among the zamindars is that the tenant is none the worse for the beating that may be administered to him so long as his limbs are not broken.' (page 35). It was found that the zamindars had realized full rents and misappropriated the parts that had been remitted in 1929-30 (page 76).

The Place of Kisan Sabhas

Having reviewed the relation between rents, revenue and prices, we now pass on to consider the constitution, functions and importance of the *Kisan Sabhas.* The failure of the Kisan Sabhas and the Eka Movement in 1921 and the revival and decline of the Kisan Sabhas again in 1934-35 show that the Kisan Sabhas so far have not been organised on proper lines to improve the condition of the peasantry. They are regarded, more or less, as political bodies.

Few would deny the importance of the functions of Trade Unions, (run on economic lines) to prevent the exploitation of the labouring classes. Kisan Sabhas, similarly, if properly organised on economic lines, would form an important link between the cultivators, landlords, and the Government. The exploitation of the peasantry through concealment of rentals, illegal *naz-*

rana and *begar* (forced work) could be stopped. The coercive process employed in the realization of rents would come to the light of day. They could exercise a wholesome influence in checking litigation. Above all, their considered opinion would be of an immense help in problems of tenancy reform and revision of land revenue policy.

Such being the important functions which they are capable of performing it is highly essential that political influences should be entirely kept apart from them. The Congress would do a great service to the peasantry if it were to see that the Kisan Sabhas are not used as political tools for the constitutional liberty of the country.

Necessity of the Kisan Sabhas

At this point we come to consider the formation of the Kisan Sabhas that will secure the results at which we are aiming. For without an appropriate organisation, the Kisan Sabhas are bound to fail. It is a strange thing that the idea of a constitution for the Kisan Sabhas, though their importance is admitted by the Congress and politicians of varying shades of opinion, has never been given a practical form.

The constitution of the Kisan Sabhas must be framed with two broad principles in view. Firstly, the powers and functions of the Kisan Sabhas must be defined and they must be endowed with the necessary powers to carry these purposes out. Secondly, the personnel entrusted with the task of carrying out the func-

tions must have the knowledge, the power and interest to work out solutions; for it is only when the men of capacity who mean to improve the condition of peasantry come upon the scene that the Kisan Sabhas will occupy their proper place in the national economy of the country.

At the present time there is no agricultural organisation that can direct and control the national agricultural policy and safeguard, in particular, the interest of the peasantry. The only organisation that controls the interest of the peasantry is the Congress. In recent years (1937-39) the Congress has attempted with great courage, though with perhaps insufficient support from the landlords, to initiate and carry through a comprehensive agricultural and land policy to improve the economic status of the peasantry.

The urgent need for the formation of these bodies is twofold. Firstly, Government in every country is proving inadequate for the tasks which it has assumed. The Kisan Sabhas shall be of immense help to the Government in the execution of its deliberately formed policy. Sir Arthur Salter, having a similar purpose in view, advocated the formation of National Economic Councils. He remarked: 'Government must rid itself of tasks for which it is unsuited; rule more by principle, by basic law and regulation, and less by meticulous provision. And since, even so, the task of regulating and directing activities so complex as those of the modern world will be too great for Government itself, it must ally itself with every practicable form of ex-

ternal aid."[9] Secondly, they shall inspire confidence both in the Government and persons who have landed interest. We have the Chambers of Commerce in each province to safeguard the interests of industrialists and capitalists. The Kisan Sabhas, federated into a Provincial Agricultural Federation, shall, likewise, safeguard the interests of agriculturists in each province.

It must be recognized that though the outlines of the policy must be framed by the Government, the working of the details of the policy should rest with the Kisan Sabhas. The basic problems of land policy are economic rather than political and in the economic sphere political influence would create obstacles in carrying those out on comprehensive lines. Moreover, political influence often degenerates into party wrangles and a balanced view of the immediate issue is lost.

Constitution of the Kisan Sabhas

The membership of the Kisan Sabhas should be broadly based. They should include all cultivators and landlords. They might, possibly, with advantage include agricultural labourers, village craftsmen, and other country people working directly for agriculture.

There must be a Kisan Sabha in a village or in a group of villages, if the village is too small to form it. They will require further to be related to each other. Hence for each district we must have District Kisan Sabhas which must draw their members from each Kisan Sabha. The District Kisan Sabha should be

[9] Salter, Sir Arthur, *Recovery* (Bell), 1932, p. 220.

federated into a Provincial Agricultural Federation, which should look after agricultural and land problems of the province as a whole. The Provincial Federation would most likely be effective if it is limited in number. Each District Sabha should delegate one of its members to represent it.

The Government should be persuaded to institute the Federation with an advisory position in the first instance, and thereafter it might enlarge its powers and rights. The Federation ultimately would be a comprehensive authority representing the agricultural interests with which the Government can negotiate and thus the innumerable difficulties and delays in instituting a national agricultural and land policy would be easily solved.

There are certain advantages in the form of organization suggested above. The organization suggests three important committees: (i) Provincial Federation, (ii) District Committees, and (iii) Village Kisan Sabhas. It leaves to District Sabhas to elect their men, they know best, for the Provincial Federation. The Kisan Sabhas would create a healthy local interest in agricultural and land policy. The Federation would win the general confidence of and support from the farmers, agricultural labourers, landlords and others who are concerned in improving the agricultural life of the country. The Federation would draw together landlords and peasants through the collaboration of whom vital interests can be harmonized. Finally, it would be the highest authority to deal effectively agricultural and rural

problems on behalf of the agricultural classes.

The Federation would also advise on problems of drainage, illiteracy, and village improvement. It might go further in some cases to exercise direct control in limiting production. The problem of agricultural marketing, price control (e.g., the fixation of the minimum price of sugar-cane) might also be entrusted to the Federation.

The success of these organizations will depend upon the persons who work them and the attitude of the Government. The harmonious relations between the tenants and landlords would be the most important factor in their success. Absence of political influence, communal bias, integrity of purpose and self-help would be the most important factors for their development.

But behind all these factors would be the influence of the Provincial Government which must watch, assist and guide, and interfere when necessary. The Government should delegate and not abdicate, some of its powers and responsibility and then co-ordinate its policy with the peasant interest from which it draws its authority.

With proper education and enlightenment of the peasantry, the Kisan Sabhas would be the forerunner of a National Agriculturists' Party established to safeguard their interests. The Kisan Sabhas would advance the path of true democracy for India. For democracy in India must rest on the land.

CHAPTER XII

THE STATE AS LANDLORD

State Policy in India

From the account of land legislation (Tenancy and Land Revenue Acts) already given in the previous Chapters, it can be concluded that the Government in India has not followed a policy of *laissez-faire* with regard to land problems. The State policy with regard to Agriculture, Forest, Irrigation, Co-operation and Industries, though slow, has been constructive and successful. It is doubtful whether a more energetic policy, which would have meant increased financial pressure and increased taxation, largely to be paid by the peasantry, was desirable. Nevertheless, it cannot be denied that the State in India has performed some functions, besides land legislation, which elsewhere are usually performed by landlords or private enterprise.

There are three main reasons for the increased State interference and activity in Indian land problems. Firstly, the increased pressure of population on land has resulted in rack-renting. The State to check this has passed land laws. Agriculturists in every country are indebted. The Indian cultivators' condition is worse as a large portion of his debt is unproductive. Moreover, on account of his illiteracy he is an easy prey to the malpractices of the *mahajan*. The

Land Alienation Acts and the debt legislation provisions are attempts to protect his interests from exploitation by the mahajan.

Lastly, while the landlords of other countries, notably England, have taken lead in the work of agricultural development, the Indian landlord has consistently neglected it.

I propose in this Chapter to describe some of the ways in which the State has helped the peasantry. However, before doing so I shall deal with the Bundelkhand Land Alienation Act and the recent Debt Legislation in the United Provinces.

The Bundelkhand Land Alienation Act (II of 1900)

One of the measures adopted by the State to protect the interests of cultivating classes was the Bundelkhand Land Alienation Act of 1900. The Act 'aimed primarily at preventing or mitigating evils which arose incidentally out of the introduction of British rule.'[1] The reason for the legislation was that in Bundelkhand the landholders were sharply distinguished into two classes—agriculturists and non-agriculturists. The majority of the agriculturists had been proprietors of land and cultivated the land themselves. Many agriculturists were, however, deeply indebted and hence transfers of land from agriculturists to non-agriculturists were common. The effects of such transfers were disastrous, as they led to the eviction of the sturdy Rajput peasant, and transfer of the land to the money-lending

[1] Anstey, Op. cit., p. 103.

classes who oppressed and rack-rented him by subletting it to him on short term leases.

The State, to check this unhealthy tendency, had to interfere, and pass an Act under which permanent alienations of land are permitted only when the alienator is not a member of an agricultural tribe, or when the alienator and the new land-owner are both members of the same tribe or of a tribe in the same group, and residents of the district in which the land is situated.

Usufructuary mortgages of land, except to a member of an agricultural tribe, remain in force only for a limited period of years (the maximum is twenty), and the land must be redelivered to the mortgagor free from all encumbrances. Agricultural tribes are defined by the Act and are limited to those who actually carry on the work of cultivation.

The effects of the Act are:—

(1) There has been a restriction in the supply of credit and hence its price has somewhat increased.

(2) There has been a considerable reduction in the volume of debt. The debt in the districts where the Act is applicable is lower than in any other part of the province.

(3) The non-agricultural money-lender has been replaced by the agricultural money-lender. Of the total debt in Bundelkhand 44 per cent is now supplied by the former and 42 per cent by the latter.

(4) Transfers of land from agricultural tribes to money-lending classes have been stopped. Transfers, when they take place, are from one agriculturist class

to another.[2]

It is not possible here to discuss fully the merits and demerits of the legislation on which widely divergent opinions are held. The chief argument against the law is that it has merely substituted an agricultural creditor for a non-agricultural. While I recognize the force of the argument, I would, however, like to insist that the risk of the evasion of the law does not destroy the efficiency of the principle involved in the law. The Agricultural Commission rightly observed that "no legislation, however, wise or sympathetic, can save from himself the cultivator who, through ignorance or improvidence, is determined to work his own ruin. Education and the development of character are the sole specifics against both the wiles of the lender and the recklessness of the borrower."[3]

In my view judicious restrictions on transfer of land, on the lines of the Bundelkhand Land Alienation Act, in other parts of the province, after a full inquiry, would be conducive to the maintenance of hereditary peasants. With the enlightenment of the peasantry the object of legislation is also less likely to be defeated.[4]

Debt Legislation

The fall in prices, besides increasing the pressure of

[2] See the *United Provinces Banking Enquiry Committee Report*, Vol. 1, (1930), p. 205.

[3] Report of the *Royal Commission on Agriculture in India*, (1928), p. 419.

[4] For more information on the subject see *The United Provinces Banking Inquiry Committee Report*, (1930), Vol. 1, pp. 204-206.

revenue and rentals, also increased the real burden of rural indebtedness. The agriculturists found it extremely difficult to repay their debts and forced sales of lands became the order of the day. The acute economic distress resulting from the transfer of land led the Provincial Government to devise measures for affording immediate relief to check this unhealthy situation. The years between 1930 and 1940 have witnessed a mass of debt legislation for improving the condition of the indebted peasantry. The Congress Ministries, during the short stay of their office (1937-39), gave an additional stimulus to the previous efforts to solve the problem of rural indebtedness. It is very difficult to describe in any detail the enormous legislative activity of the last ten years which has brought about a fundamental change in the legal basis of indebtedness. Broadly speaking, the entire mass of debt relief legislation may be grouped into two heads, according to the nature of the objective which the legislation had in view. They are: (i) Short-term legislation and (ii) Long-term legislation. The main short-term measures to afford immediate relief were:—

(i) Stay of execution proceedings (e.g., The United Provinces Temporary Regulation of Execution Act (XXIV) of 1934).

(ii) Measures to reduce the liabilities of the debtors in respect of the past arrears of interest (e.g., The United Provinces Agriculturists' Relief Act (1934)).

(iii) Measures to provide relief in respect of the payment of the principal of the loan (e.g., The United

Provinces Regulation of Sales Act of 1934).

Among the long-term measures may be mentioned the various Moneylenders' Acts for regulating the business of moneylending and providing safeguards for the protection of the person and property of the debtors against undue exploitation by the creditors, (e.g., the United Provinces Money Lenders' Bill 1939). Such legislation had the following three objects, among others, in view:—

(i) The registration and licensing of moneylenders;

(ii) The regulation of accounts; and

(iii) The regulation of interest.

In the pages following, we shall briefly point out the legislative activity of the United Provinces Government. As debt Acts have often been criticized as measures violating private contract, the theoretical case for the laws has been stated in the beginning.

Theoretical arguments for the relief of debt by legislation

Economists draw an important distinction between the *money* rate of interest and the *real* rate of interest. A sum of money borrowed at 5 per cent when the value of money in terms of commodities is 100, becomes 94½, including interest, when the value of money falls to 90, at the end of the year. The *money* rate of interest is 5 per cent but the *real* rate of interest is *minus* 5½ per cent. Similarly, if the value of money has risen and the amount is worth 110 in commodities

the *real* rate of interest is 15½ per cent though the *money* rate of interest is still 5 per cent.

"Thus," writes Keynes, "when prices are rising, the business man who borrows money is able to repay the lender with what, in terms of real value, not only represents no interest, but is even less than the capital originally advanced; that is, the real rate of interest falls to a negative value, and the borrower reaps a corresponding benefit."[5]

On the other hand when prices fall even a bank rate of 1 per cent becomes oppressive to business, as it corresponds to a very high rate of real interest.[6]

The increased burden of debt in the United Provinces can be judged by the fact that the index number of wholesale prices during 1931 to 1936 fell by more than 100 per cent as compared with the years 1919 to 1922.[7] Thus the value of Rs. 100 in commodities during 1919 to 1922 became more than Rs. 200 during the period 1931-36. The slight reduction in the rate of interest aimed at by the debt legislation was insignificant as compared with the phenomenal fall in price level. The real burden of debt had become too heavy.

Agriculturists' Relief Act, (1934)

The main objects of debt legislation, in the words of the Agricultural Commission, are to relieve the debtor of what he cannot pay, while insisting on his paying the

[5] Keynes, J. M.: *A Tract on Monetary Reform*, p. 21.
[6] Ibid., p. 24.
[7] See Appendix A.

utmost he can within a reasonable time.[8] After he has paid the utmost he can with his assets he should be allowed to start a new life. It was with these objects that the United Provinces Agriculturists' Relief Act was passed. The Act has provided, in particular, the following facilities to the agriculturist debtors:—[9]

(1) It has made provision for a legal process by which an agriculturist debtor can apply to a civil court to get his account settled and to fix instalments for the payment of the decree.

(2) The court is empowered under the Act, to determine the future rate of interest which may be allowed on any decree.

(3) It has enabled a debtor to deposit in court a sum of money in discharge of his debt for payment to his creditor.

(4) It has limited the sale of agricultural produce in execution of decrees for a period of four years.

(5) It has limited the period of usufructuary mortgages for a term not exceeding twenty years. The right to receive the rents and profits from the land during the period shall be deemed to be in lieu of interest and towards payment of the principal. The mortgaged land shall be returned to the mortgagor, after the expiry of the period, and the mortgage debt shall be deemed to have been discharged.

(6) Every agriculturist debtor is entitled to

[8] *Royal Commission on Agriculture*, p. 441.

[9] For the Statement of Objects and Reasons of the Act, see *United Provinces Gazette*, May 13, 1933, pp. 69-70.

demand from his creditor a full and correct statement of the amount outstanding against him. It is the duty of every creditor to maintain his accounts in the manner prescribed by the Local Government.

(7) It has been made a penal offence for a creditor to enter in his books of accounts a sum larger than that actually lent. The creditor is also bound in to deliver to the debtor a receipt for any payment made by him. Failure to do so is again a penal offence.

The Act has been more extensively used than any other Debt Relief measure. The vast majority of cases have been for the grant of instalments or for the reduction of interest on decrees.[10]

The Usurious Loans (United Provinces Amendment) Act, 1934[11]

The Usurious Loans Act of 1918, on account of difficulties of interpretation in courts as to what constitutes an excessive rate of interest, remained practically a dead letter in all the provinces. The United Provinces Usurious Act was passed to define excessive rates of interest. The Act has provided that:—

(1) In the case of loans secured by a first mortgage the interest exceeding 12 per cent per annum is excessive.

(2) In the case of unsecured loans the interest rate is excessive if it exceeds 24 per cent per annum.

[10] *Revenue Administration Report of the United Provinces*, 1935-36, (Issued 1938), p. 17.

[11] For the Statement of Objects and Reasons of the Act see *United Provinces Gazette*, May 13, 1933, pp. 71-72.

(3) In the case of secured loans the court shall not deem the interest excessive if the rate does not exceed 7 per cent per annum.

(4) In the case of unsecured loans the interest is not excessive if the rate does not exceed 9 per cent per annum.

Thus the Act has provided the maximum and minimum rates of interest.

The Act has afforded considerable relief to debtors of all classes, its provisions being often applied to claims before plaints are filed, with a consequent reduction in litigation. Relief under the Act has often been given in *ex parte* cases also, and it has some effect in checking usury.[12]

Temporary Debt Relief Measures

Besides these two Acts which are of permanent value the Government passed three other Acts, (temporary in their application) to meet the extraordinary situation caused by the slump in prices. They are: (1) The United Provinces Encumbered Estates Act; (2) The United Provinces Temporary Regulation of Execution Act; and (3) The United Provinces Regulation of Sales Act.

The United Provinces Encumbered Estates Act was intended to assist landowners, paying land revenue of more than rupees ten, from becoming insolvent, owing to the slump in prices. The Act ensured the liquidation

[12] *Revenue Administration Report of the United Provinces*, 1935-36, pp. 16-17.

of debt by equated instalments over a period of years, coupled, if these proved to be insufficient, with the transfer of the least possible area of land. The amount of interest which the creditor was allowed to recover on his loans was limited to a sum equal to the amount of the original loan, except that, if the debt was incurred before 1917, it was limited to a sum equal to the amount entered as principal in the last document executed before 1917.[13]

In order to give more opportunities to take advantage of the Act the time for the filing of applications under the Encumbered Estates Act was extended up to October 29, 1936. The total number of applications made under the Act was 34,000, involving debts of about Rs. 25.5 crores. All proceedings for the preparation of liquidation awards have, however, been stayed as the Government intend to examine the whole question of rural indebtedness and Debt Relief Acts afresh.[14]

The United Provinces Temporary Regulation of Execution Act was a supplementary measure to the Encumbered Estates Act. It was meant to give relief to all landlords paying land revenue of less than rupees ten and to all cultivators. Under the Act, relief was granted by a scaling down of decrees, provided that the payment was promptly made, on debts decreed by a

[13] V. *Revenue Administration Report of the United Provinces*, 1933-34, p. xvi.

[14] V. *Revenue Administration Report of the United Provinces*, pp. 17-18, 1935-36.

civil court before the passing of the Act.[15]

As the Act was not sufficiently advertised, little use was made of it except in a few districts where debtors, by paying something towards the decretal amount, obtained considerable reduction in the rate of interest.[16]

The object of the United Provinces Regulation of Sales Act (1934) was to prevent an undue amount of land passing from the hands of the old land-owning classes. The Act ensured that a creditor, who attempted to recover his loan, advanced to a landowner, during the period when the Act remained in force, should not get more land in satisfaction of his loan than he could have expected to get if there had been no slump.[17]

Thus the Collector under the provisions of the Act, was empowered to restrict the amount of agricultural land to be sold in execution in respect of a loan prior to the passing of the Act.

Originally, the Act was to remain in force until November 1, 1936, but it was extended till December 15, 1936. Under the Act in 1935-36 there were nearly 33,000 cases for disposal involving a sum of Rs. 8.17 crores. In 3,533 cases the civil courts granted instalments, and action was taken under the Act. In 2,239 cases, debts of Rs. 32.75 lakhs were liquidated by sale of a suitable portion of the attached property valued at

[15] V. *Administration Report of the United Provinces*, 1933-34, p. xvi.

[16] V. *Revenue Administration Report of the United Provinces*, 1935-36, p. 17.

[17] V. *Administration Report of the United Provinces*, 1933-34, p. xvi.

pre-slump valuation.

Regarding the working of the Act the Board of Revenue remarked: "This Act has saved a large number of debtors from the loss of much of their property, and gave considerable relief in the individual cases of decreed debts to which it applied.[18]

In addition to debt legislation the Government in 1933-34 issued orders under Section 61 of the Civil Procedure Code exempting one-third of the produce from sale in execution of civil decrees.

This order remained in force till 1935-36.

Long-term measures

Finally, attention may be drawn to the three long-term measures of the United Provinces Government. The United Provinces Agriculturists' Debt Redemption Bill, 1939 proposed to effectively reduce the debts of small agriculturists. The Bill provided for the investigation of agricultural-debts and laid down that the creditor should not be entitled to receive a sum higher than twice the amount of the principal of the loan minus all payments that he may have received. It also provided that in case of protected tenants, the creditors could only take possession of the landed property of the debtor as a usufructuary mortgage and could not sell it to realize their dues.

The main object of the U. P. Regulation of Agricultural Credit Bill, 1939 was to limit the capacity of

[18] *Revenue Administration Report of the United Provinces*, 1935-36, p. 17.

the debtor of an average status to borrow indefinitely from the moneylenders by putting restrictions upon the transferability of the only security he can offer, viz., the standing crops or his land. The Bill provided that the creditor could not recover more than one-fourth of the value of the standing crops of one year and could not do so for a period longer than four years. The Act also provided that any deed of mortgage of land which contains the provision for the conditional sale of such land would be null and void after the passing of the Act.

Finally, the United Provinces Moneylenders' Bill, 1939, attempted to control the money-lending operations in the United Provinces. It provided for the registration and licensing of moneylenders. It also provided safeguards to debtors against undue molestation. The distinguishing feature of this Bill is that it embodies all the various regulations which have been adopted by other Provincial Governments for the control and regulation of the moneylending operations.

Conclusion

In conclusion it may be said that the debt legislation 1930-37 of the United Provinces Government was a timely measure to relieve hardship and proved to be of considerable help to cultivators and landed classes. These measures have been criticised on the ground that they restricted the volume of rural credit and made borrowing difficult for the cultivators. No doubt, the agriculturist should have some form of cheap and facile credit but it must be admitted that facile credit without

proper safe-guards often results in extravagance. Credit has been compared to fire, which is useful only when kept under strict control. In India, guarded and productive credit is needed; organised credit will act as a restraint on the borrowers, and prevent unintelligent or extravagant use of the loan.[19] The long-term measures shall place rural finance on a sounder and more stable footing and ultimately lighten the crushing burden of rural indebtedness.

Irrigation

Having considered the role which the State has played in checking the transfer of land to non-agricultural classes and reducing the burden of rural indebtedness, we now pass on to consider some important aspects of State activity. The most outstanding activity of the State which has profoundly effected the lives of millions of people has been the construction of irrigation works. Whatever difference of opinion may exist regarding State policy for the economic development of the country none would deny the beneficial effects of irrigation which has turned millions of acres of arid land into flourishing cornfields.

In providing irrigation works the State has acted as a wise landlord. For as Professor Knowles has remarked, 'the irrigation works have made for security of life, they have increased the yields and the value of the land and the revenue derived from it. They lessened

[19] Mukerjee, P. *The Co-operative Movement in India*, Thacker Spink & Co., Calcutta, p. 32.

the cost of famine relief, and have helped to civilise whole regions. In addition, they now yield a handsome profit to the Government of 7 to 8 per cent.[20]

Apart from the direct and indirect effects of irrigation, the reproductive influences of irrigation, from a wider financial point of view should not be overlooked. Expenditure on irrigation is reproductive in a wide sense as it increases the national income of the country as a whole by more than its annual cost. Moreover, as "it increases the incomes of the citizens, it thereby raises the yield of any given rate of tax, and, thus contributes indirectly to the Government's revenue."[21]

A description of the existing irrigation facilities provided by the State would take us beyond the scope of our work. The following table, however, will show the existing position of irrigation in some of the provinces of British India:

Province	Area in Thousands of Acres		Percentage of Cultivated Area that is irrigated
	Cultivated	Irrigated	
Punjab	27,400	15,008	54.7
Sind	5,193	4,141	79.7
North-West Frontier Province	2,120	1,010	47.6
United Provinces ..	36,000	10,800	30.0
Bihar	19,360	4,460	23.0
Madras	32,000	8,000	27.6
Bombay and Central Provinces	53,000	2,300	4.3

[20] Knowles, L. C. A., *The Economic Development of the British Overseas Empire*, (1928), pp. 367-8.

[21] Benham, Frederic, *Economics, Pitman* (1939), p. 313.

Co-operative Movement

While the control and development of the co-operative movement in foreign countries is mostly in private hands, co-operation in India, without undermining its fundamental principles is largely controlled and organized by the State. The report of the Indian Famine Commission of 1901 strongly advocated the starting of co-operative credit societies. The State, to relieve the indebtedness among the peasantry and to ameliorate their condition in general, passed the Co-operative Credit Societies Act of 1904. Under the Act Societies were classified as rural and urban, and while the latter were left a free choice, the former were bound to accept unlimited liability. In ordinary cases the area of societies was to be closely restricted. They were given a legal personality and authorised to raise funds and carry on their business in a corporate capacity. Loans might be made to members only on personal or real security, but not ordinarily on chattel security. An annual official audit was made compulsory. The interest of any member in the share capital of the society was strictly limited and special exemptions from the provisions of the Stamp Act, the Registration Act, and the Income Tax Act were conceded. The subject of Central Banks and the higher storeys of the co-operative structure were not however dealt with at this stage, and no indication was given as to the means of providing resources for enabling societies to meet their liabilities to depositors.

A fresh impetus was given to the movement in

1912 when the Government of India passed The Co-operative Societies Act (II) of 1912. Under the Act, the old distinction between rural and urban societies was swept away, and a more scientific distinction based on the nature of the liability of members, whether limited or unlimited, was adopted in its place. The registration of Unions, Central Banking Unions and Central Banks was for the first time expressly legalised.[22]

The Maclagan Committee on Co-operation (1915) reviewed the movement in all parts of India. Later on, various provincial Governments instituted inquiries into the working of the movement. The King Committee (1922) recommended a decentralization of control and finance in the Central Provinces. The Oakden Committee (1926) brought about a transfer of the supervisory function in the United Provinces from the Central Banks to the Provincial Co-operative Union. The Townsend Committee (1928) made a number of important recommendations concerning Madras, where primary societies have been granting long-term credits on the lines of a Land Mortgage Bank. Land Mortgage, however, is now assigned to Mortgage Banks.

The movement, despite its defects and failures, has progressed well on strong and healthy lines in some provinces. It is somewhat difficult to compare the achievements of the movement in the various provinces. However, it is generally admitted that the position of the movement is most secure in Bombay, Madras, and

[22] *Maclagan Committee Report*, (1915), pp. 3-4.

the Punjab. It has slowly regained ground in the United Provinces. In Bengal, Bihar, and the Central Provinces, it is, however, comparatively unstable. Mr. Strickland has rightly observed that the strength of the movement in Bombay lies: (i) in the financial resources and business efficiency of the Bombay Central Co-operative Bank, which operates both as a provincial institution and also, through branches in several districts, directly as a district bank; and (ii) in the ability of the Bombay Provincial Institute to recruit and train honorary organizers who perform certain of the duties entrusted by the institutes of other provinces to their paid employees. Madras is entitled to pride itself in its system of district banks and in its development of co-operative mortgage banking which may, if properly supervised, solve the problem of ancestral debt. In the United Provinces Co-operation is regarded as a part of wider effort towards better living, and the progress thus made in the provinces has influenced the views of co-operators throughout India.[23]

The movement has provided, in spite of its defects, a large amount of capital to the peasantry at reasonable rates of interest and has, somewhat, relieved the burden of indebtedness. Where the movement is strongly established, thrift is being encouraged, rates of interest have been lowered and the hold of the mahajan has been loosened. It has been calculated that Rs. 40 to 50 lakhs

[23] See *Social Service in India,* edited by Sir Edward Blunt, (H. M. S. O.), *1939*; chapter on Co-operation by C. F. Strickland, I.C.S., pp. 339-340.

per annum are saved in interest by the agriculturists as a result of the working of the co-operative credit societies.

The social and moral effects of the movement have brought about a marked change in the outlook of the people.

"Indian Co-operation lies in the trough of the wave, but to speak of failure is absurd."[24] The charge that the movement has not progressed on healthy lines on account of State supervision, assistance and counsel is not quite sound because State control is essential in the absence of sufficient number of honorary workers. It is my conviction that the whole future of the movement ultimately depends upon the intellectual stimulus and the closer contact between the cultivators, the co-operative department, and the public. Strickland has pointed out that the probable lines of development of the movement in India during the next decade are:—

> (*i*) A stricter separation than in the past between short-term credit from the ordinary credit society and long-term credit from the mortgage bank;
>
> (*ii*) An expansion of the non-credit societies, both in the direction of supply and marketing and towards the general rural reconstruction which India needs;
>
> (*iii*) Fuller education of the staff and members in the meaning of Co-operation, and a closer control over the movement by a skilled official or unofficial agency, until the process of education has made a great advance.[25]

[24] See *Social Service in India,* op. cit., p. 341.
[25] Ibid., p. 341.

Agriculture

It is difficult to describe in a few pages the work of the Agriculture Department. Briefly, the Department has helped the cultivator by providing: (i) better seed; (ii) better manures; (iii) better implements; and (iv) better marketing facilities. It can undoubtedly be said that the foundation of agricultural progress depends upon the use of improved implements, seeds, and manures. The Department of Agriculture of United Provinces issued improved seeds of all kinds to the total of 42 lakhs of maunds of which 39.5 lakhs maunds was sugar-cane alone. The extent to which crops respond to better manure is not generally realized. The cane-produce in the province is between 325 and 400 maunds per acre. This it is said is at least 50 per cent lower than could be obtained by the use of organic manure materials at the disposal of the cultivator; and a hundred per cent less than he should get with the rational use of concentrated fertilisers.[26] The Department of Agriculture is carrying on propaganda for the profitable use of farmyard manure, night soil, and other fertilisers which would increase the productivity of soil. The number of implements disposed is fast increasing. During 1936, complete ploughs and iron parts, such as Meston and Gurjar, totalled over 10,000. This shows that the cultivators are appreciating light metal ploughs and improved machinery. Finally, the Indian cultivator buys in the

[26] See *Report on Administration of the Department of Agriculture*, 1936-37.

dearest market and sells in the cheapest market. The Co-operative Department came to his help but its activities were sporadic. Recently, a Marketing Department has been attached to the Department of Agriculture. Marketing surveys of all fruits, tobacco, linseed, groundnuts, wheat, rice, eggs, milk, cattle and hides and skins have been completed. It is hoped that as a result of these surveys, a more satisfactory system of marketing will come out which will ensure a better price to the producer and introduce economies in handling, transport and distribution of products.[27]

The potentialities of agricultural development are vast in India. "It can undoubtedly be said that a veritable agricultural revolution could be effected by simply putting to practice the knowledge that has been gained with regard to improved varieties of crops, implements, cultural methods and the breeding and care of domestic animals. The limiting factors are finance and leadership, but surely no movement could be more worthy of both official and voluntary support."[28] If land revenue is to be put on a more stable basis, agricultural problems and policy need re-organization and change in outlook.

Conclusion

Will reduction of rents and revenue alone cure all the ills of cultivators and landlords? One is tempted to say, yes. But a study of the economic conditions of

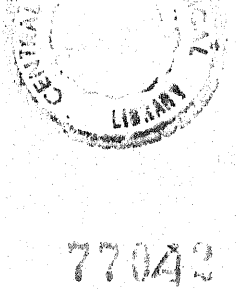
[27] See my *Indian Provincial Finance,* Chapter X for a more detailed account of some of these aspects.

[28] See Anstey, op. cit., pp. 170 and 184.

the country will convince us that no single factor alone will achieve successful results unless a co-ordinated policy for the development of the various aspects of Indian economic life is pursued. A description of the various factors which are responsible for the arrested economic development of the country is not possible here. In Chapter I the effects of the monsoon, the uneconomic outlook of the people, and the growth of population on the problems of rent and revenue have been pointed out. Perhaps the most important factor which is responsible for the backward condition of the people is illiteracy. Neither scientific improvements in agriculture nor co-operation can improve the condition of the peasantry unless a change in rural life is brought about through education. The masses are steeped in ignorance. Hence, in order that the peasantry may easily carry the share of its burden, not only a change in the land revenue policy is necessary but many other distressing problems which retard progress need solution.

Finally, it can be said that the Government in India must play a more important part in giving a new orientation to the life of the people. The responsibility for framing the policy for the performance of extensive economic and social functions, must remain that of Government alone. The success of the Provincial Governments in stimulating public interest and co-operation in schemes of rural improvements, for the promotion of health, sanitation and education will depend upon the co-operation between the various communities and classes, and in particular, between the Congress

and other political parties. People must cast aside the shackles of caste and racial and religious prejudices to work together to make India a prosperous nation.



77043

APPENDIX A

Index numbers of prices, rents and revenue in the United Provinces

Year	Wholesale prices	Rents of stable tenants	Rents of ordinary tenants	Land Revenue demand
1900	126	99	96	..
1901	107	99	96	99
1902	96	99	98	100
1903 ..	95	102	100	101
1904	89	97	102	98
1905	109	103	103	101
Average 1901-05	100	100	100	100
1906	129	104	106	101
1907	137	104	107	102
1908	163	105	108	102
1909	136	105	111	102
1910	127	106	112	103
1911	120	106	115	103
1912	126	106	116	103
1913	144	107	117	103
1914	165	108	119	103
1915	173	109	120	103
1916	160	111	121	104
1917	158	111	122	104
1918	200	111	125	104
1919	258	109	128	104
1920	243	113	133	107
1921	258	114	134	108
1922	236	115	137	108
1923	182	117	139	108
1924	187	118	142	108
1925	220	119	144	109
1926	230	120	146	109
1927	217	120	146	109

Year	Wholesale prices	Rents of stable tenants	Rents of ordinary tenants	Land Revenue demand
1928	213	120	146	109
1929	218	120	165	110
1930	162	121	166	111
1931	112	121	165	112
1932	119	120	162	112
1933	114	121	161	112
1934	103	121	161	113
1935	122	120	160	113

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INDEX

A

Act X of 1859, 3, 38, 108, 123-125, 128, 131, 134-135, 172
——— Defects of, 129, 133, 156, 169
Act XVIII of 1873, 133-136
Act XII of 1881, 136-138
Act II of 1901, 138-145
——— Defects of, 141-145
Act III of 1926, 145-148, 167-169, 173, 177
Adam Smith, 25-26
Agrarian Settlement post-War Europe, 84-87
Agricultural Commission (Royal), 7, 239, 242-243
Agricultural Depression, 210-211
Agricultural Federation, Provincial, 234-235
Agricultural Prices, fall of, 218-222
Agriculture, 256
Agriculture Marketing Department, 257
Agriculturists Relief Act—See United Provinces Agriculturist's Relief Act,
Ahmad Shah Durani, 53
Allan, 8
Anstey, Vera, 2, 3, 5, 257
Antonio, De Viti De Marco, 209
Area of the United Provinces, 4
Arjengaum, Treaty of, 53
Assessment, Principles of, 1, 11-12, 51, 52, 54, 74 et *seq.*, 98
Aumil, 19
Average Rent Rates, 84

B

Barrow, Major L., 117, 118
Bayley, C., 83
Benares Permanent Settlement, 40-50
Benares Province, 13-14, 17, 27, 40-48, 124, 125
Benett, W. C., 193-194
Bengal Land Commission (1940), 39
Benham, Frederic, 251
Bentinck, Lord William, 64
Bhaichara Tenure, 16, 46, fn. 47, 61
Bird, Robert Mertins, 65-67
Birt, 202, 205
Blunt, Sir Edward, 8, 9, 94-95, 254-255
Board of Commissioners (Special Commission, 1808), 16, 20, 22-23, 25
Board of Revenue, 17, 20, 30, 64-65, 78, 85, 89, 91-92, 136
British Rule, 32
Bundelkhand Land Alienation Act (1900), 237-239
Butler, Sir Harcourt, 162

C

Campbell, Sir George, 150-151
Canning, Lord, 29, 32, 99, 102-105, 108, 110-112, 119-120, 154

Ceded Districts, 13, 16, 18-21, 23, 24, 52, 61, 68, 127
Chakladars, 195
Civil Disobedience Movement, 210-211, 213-214
Clive, Lord, 42
Code of Regulations, 17
Coercive Processes (1929), 228-229
———, its hardships, 229-230
Colebrooke, 23, 25-26
Colvin, B., 136
Company—See East India
Compensation for Improvements, 135-136
Congress, 210-213, 215, 226-227, 231-232
Congress Committee on Agrarian Distress in the United Provinces (1931), 56, 227, 229-230
Congress Ministries, 240
Connell, C. J., 82-85
Cooperative Credit Societies Act (1904), 252
Cooperative Movement, 252-255
Cooperative Societies Act (1912) 253
Conquered Districts, 13, 17-21, 23-24, 53, 61, 68, 127
Cornwallis, Lord, 25, 40, 42, 120
Court of Directors, 16, 19-20, 23-25, 42, 104
Cox, R. W., 20, 21, 127
Crown Lands—See *Khalsa*
Customary Rights, 26, 28, 56, 132-133, 148
Curzon, Lord, 10, 36-38, 74, 96

D

Dalhousie, Lord, 99-102, 119-120
Davis, Sir Henry, 117-118, 156
Dean, 23
Debt Legislation, 239-250
——— Long-term Measures, 248-249
——— Temporary Relief Measures, 245-248
——— Theoretical arguments for, 241-242
Derby, Lord, 103
Determination and Modification of rents, 179-183
Dihadari, 202-203, 205
District Kisan Sabha—See Kisan Sabha
Diwani, 40
Duel Government, 40-41
Dumbelton, 55
Duncan, Jonathan, 43, 47
Dutt, R. C., 36-37, 66

E

East India Company, 15, 16, 40-42, 49-50, 52, 54, 74, 82, 98, 120
Edmonstone, Sir George, 31
Eka Movement, 213, 230
Elgin, Lord, 149, 151-152
Elliot, C. A., 78-80
Enhancement of Rents, 131-134
Erskine, Major, 159
Evans, 143-144
Expropriatary Tenants, 134-135, 139, 146, 171

F

Famine, 10, 28
Famine Commission (1880), 123, 157-158
Federal System of Finance, 38
Fendall, 26
Fixed-rate Tenants, 124-125, 139, 171

G

Gandhi, M. K., Mahatma, 211, 213, 215, 226
Government of India Act (1919) 89-90
——— (1935), 90

H

Hailey, Lord, 226
Halifax, Lord, 32-33, 112-113, 115, 117, 119, 152
Halifax, Lord (Irwin), 44
Harrington, H. B., 159
Hastings, Lord, 24-25, 120
Hastings, Warren, 41, 42, 120
Heirs of Statutory Tenants, 145-146, 173
Hereditary Tenants, 171-174, 178, 184
Holdings Economic, Basis of calculation, 26
———, Definition of, 6
———, Size of 6-10,
House, H. F., 138
Hunter, W. H., 41—43

I

Impey, W. H., 85
Inglis, J. F. D., 87, 130
Irrigation, 34-35, 250-251
Irwin-Gandhi Pact, (Delhi Pact), 214
Irwin, H. C., 101, 106
Irwin, Lord—See Halifax, Lord

J

Jagir and *Mafi*, 202-203, 206-207
Jevons, Stanley, 9

K

Keatings, G. F., 8, 9
Keynes, J. M., 242
Khalsa (Crown Lands), 194
Khasra, 65, 92
Khatauni, 93
Khewat, 93
Khudkasht, 165, 175, 176, 178, 205
Khudkasht, Ryots, 124, 126. 128, 130, 134
King Committee on Cooperation (1922), 253
Kisan Sabhas, Constitution of, 233-235
———, District, 233-234
———, Genesis of, 211-212, 215
———, Necessity of, 231-233
———, Place of, 230-231
———, Village, 234-235
Knowles, L. C. A., 250-251

L

Lake, Lord, 13
Land Alienation Act (1900), 237
Land Mortgage Banks, 253
Land Policy, Influence of Mediaeval Outlook on, 2-3
——— Monsoon, 10-11
——— Political Activity, 210, 213
——— Pressure of Population on, 4-6
——— Size of Holdings on, 6-10
Land Revenue Legislation, 86 *et.seq.*
Law of Sale, 98
Lawrence, Sir John, 32-33, 115-120, 149, 152-153
Lewinski, J. St., 188
Limitation Period, 114-117

M

MacDonnell, Lord, 143-144
Mackenzie, Holt, 25-26, 60

Maclagan Committee on Co-operation (1915), 253
Mahip Narain Singh, Raja of Benares, 43-44
Mahmud, Mr. Justice, 128
Maine, Sir Henry, 116, 153, 188-189
Malguzari, 35
Mann, H., 8
Marwat, 202-203, 207
Mediaeval Outlook, 2-3
Meston, Lord, 85
Miller, 87
Millett, 195
Misra, B. R., 7, 257
Money, R., 30-31
Monsoon, its Effect on Land Policy, 10-11
Montgomery, Sir Robert, 105, 108
Morrison, Sir Theodore, 64, 70
Mudie, R. F., 95
Muir, Sir William, 30-31, 35, 82-83, 118, 133-134
Mukaddams, 27, 58
Mukerjee, P., 250-251
Mutiny, 28, 30, 99, 101-102, 114, 119, 121, 149, 191, 196

N

Nankar, 202, 204
National Agriculturists' Party, 235
National Economic Council, 232
Nazrana, 161-162, 164, 211-213, 230
Nehru, Jawahar Lal, 210, 215
Newnham, 69
Non-cooperation Movement, 211
Non-occupancy Tenants, 125, 130, 133, 138-140, 171, 175, 184
No-rent Campaign, 213-215, 227
Northcote, Sir Stafford, 34-36
North-Western Provinces Land Revenue Act (1873), 86-88
——— (1901), 88, 89

O

Oakden Committee on Co-operation (1926), 253
Occupancy Rights, 125-130, 138, 141-141, 145, 150, 153, 155-157, 159
Occupancy Tenants, 125, 139, 146, 150-151, 172
O' Donnell, Sir Samuel, 142
Oudh Compromise, 99, 107, 108, 117-118, 120-121, 149, 169, 172
Oudh Estate Act (1869), 103, 109, 191, 196
Oudh Land Settlement, 98 *et seq.*
Oudh Land Revenue Act (1876), 86-89
Oudh Sub-settlement Act (1866), 107, 119
Oudh Rent Act (1868), 108, 149, 156-160
Oudh Rent Act (1886), 160-166, 171
Oudh Rent Act (1921), 150, 162-169, 172, 177, 213
Outram, Major General, 100, 102

P

Pahikasht Ryots, 123, 126, 128
Pattidari, 61, 107
———, Perfect and Imperfect, 199-200
Peasant Committee, 148
Permanent Settlement of Benares, 40-49

Permanent Settlement of Bengal, 15-17, 19, 21, 24-30, 34-38, 40, 69, 98, 124-125
Permanent Tenure-holders, 124-125, 139, 171, 173-174
Population of the United Provinces, 4-6
Porter, Sir Ludovic, 165
Proclamation, Royal (1858), 103-104, 114
Proprietary Tenures in Oudh, 188-209
Province, Composition of the, 13
Provincial Autonomy, 97

Q

Quinton, J. W., 159

R

Ravenscroft, 57
Record of Rights, 61-63, 92
Record of Rights Circular, 115
Regulation XXV of 1803, 17
——— X of 1807, 19, 21
——— VII of 1822, 24, 26
——— IX of 1833, 64-66
Rent Remissions (1931), 220-223
Rent and Revenue Committee (1931), 220-222
Rent, Revenue and Prices, Corelation of, 216-226
Resolution on Land Policy (1861), 29
——— (1902) (Lord Curzon), 37
Revenue Remissions (1931), 220-223, 227-228
Revenue System and Political Chaos (1930), 226-230
Robertson, 59
Roman Doctrine of Property, 188, 190
Roster Year, 146, 163
Rural Economy, Influence on Land Policy, 4
Ryotwari, 1-2

S

Saadat Ali, Nawab, 194
Saharanpur Rules, 67, 82, 96
Salter, Sir Arthur, 232
Sanad, 108-112
Sankalap, 202-203, 206
Sayer, 76
Sectional Price-level, 215-216
Settlement Quadrennial, 18
Settlement Report, 92
Settlement Triennial, 18, 20
Shah Alam, 20, 40-41
Shajra, 65-66
Shore, Sir John, 126
Sir Land, 165, 174-179, 202, 204-205
Smith, Colonel Baird, 28-29
Smith, V. A., 78
Smith W. H., 70, 85
Standard Rates, 83
State as Landlord, 236 *et seq.*
Statutory Period, 163
Statutory Tenants, 146, 164, 168-169
Strachey, Sir John, 103-104, 117
Strickland, C. F., 254-255
Sub-settlement, 201-203
Sujahood-Dowlah, Nawab, 194

T

Talukdari Settlement, 14, 98 *et seq.*, 102, 107
———, Origin of, 98, 121, 190-197
Talukdars, 99 *et seq.*,
Tawney, R. H., 186
Tenancy Act (Bengal), 3, 38, 123 *et seq.*

Tenancy Legislation in Agra Province, 122 *et seq.*
Tenancy Legislation in Oudh, 149 *et seq.*
Tenancy Legislation in United Provinces (1939), 167-187
Tenants-at-will, 125, 129
Tenants Holding on Special Terms in Oudh, 171
Tenants of Tea Estates, 173
Thakorrance Dossee Case, 129
Thomason, J., 52, 75-77, 82, 127, 134, 191
Townsend Committee on Co-operation (1928), 253
Tucker, St. George, 20-21, 27
Twelve Years Rule, 125, 130, 136-139, 145, 169
Tyler, 69

U

Under-proprietary Tenures, 200-201
United Provinces Agriculturists' Relief Act (1934), 240, 242-244
United Provinces Debt Redemption Bill (1939), 248
——— Encumbered Estates Act, 245-246
——— Land Revenue Act (1929) 89, 91
——— Money-lenders' Bill (1939), 249
——— Regulation of Agricultural Credit Bill (1939), 248-249
——— Regulation of Sales Act (1934), 241, 247-248
——— Temporary Regulation of Execution Act (1934), 240, 245-246
——— Tenancy Act (1939), 168-184
Usurious Loans Act (1934), 244-245

V

Victoria, Queen, 105

W

Welland, 22, 53, 68
Whiteway, R. S., 72, 85
Wingfield, Sir Charles, 108-110, 113, 116-117, 119, 150-153, 155
Wood, Sir Charles—See Lord Halifax
Wright, F. N., 22, 27, 68, 71, 131

Z

Zamindari, 1-2, 14, 107, 112, 197-199

